

Ford Remodeling Campaign Moves After Primary Losses

Many Top Republicans Now Think It Possible That President Will Be Denied Nomination

By R.W. Apple Jr.

WASHINGTON, May 6 (NYT)—President Ford ordered a review of his campaign strategy yesterday after four top Republicans said they would support the most damaging electoral reversal suffered by an incumbent President since Theodore Roosevelt defeated William Howard Taft in 1912.



President Ford during impromptu news conference in White House Rose Garden.

him 35, 40 per cent of the delegates. That wouldn't look good for the President.

The prospect caused evident concern at the White House. Ron Nessen, the presidential press secretary, told reporters, "I'd be kidding you if I didn't say there was a concern that the President could possibly lose Michigan."

In addition to Michigan, whose May 18 primary offers perhaps his best chance in the next month to prevent a snowballing of Reagan support, Mr. Ford must compete in four other crossover states: Idaho, Arkansas and Tennessee on May 25 and Montana on June 1. He seems likely to lose all of them.

The two states that vote next Tuesday, Nebraska and West Virginia, do not permit cross-over. Before Indiana, Mr. Ford had been considered the leader in West Virginia and had been thought to trail only slightly in Nebraska. But officials in both states said yesterday that Mr. Reagan now had to be considered the favorite, given his new-found momentum.

Carter Holds D.C. Lead

WASHINGTON, May 6 (AP).—Former Georgia Gov. Jimmy Carter appeared today to be the winner of Tuesday's District of Columbia Democratic primary, taking both the popular vote and seven of the city's 13 delegates.

But the only clear result of the voting is confusion. "Final preliminary results" announced late last night, about 27 hours after the polls closed, showed Mr. Carter with 9,281 votes, or 39.7 per cent, which apparently would give him seven delegates.

But supporters of an uncommitted slate that came in third claim that, if disputed and un-

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Quake Hits North Italy, Is Felt in 7 Countries; Many Reported Dead

From Wire Dispatches

VENICE, Friday, May 7.—An earthquake struck northern Italy last night, hitting most strongly in the eastern area between Venice and the Yugoslav border.

The quake was felt in seven countries, hitting Yugoslavia, Czechoslovakia, France, Belgium, Austria and West Germany, as well as Italy.

There were unconfirmed reports of deaths and devastated areas in Buia, Italy, a town of 8,000 at the foot of the Alps, near Yugoslavia.

Other reports said 19 people were killed in northern Italy, the worst hit area.

The news agency Italia quoted a Buia policeman, reached by telephone, as saying there were "many dead, very many," and adding: "It is not time to ask questions now, send aid."

Many buildings collapsed in Buia, reportedly burying families under debris. The tremor also knocked down buildings in the nearby towns of Flagogna and Andur.

A hotel employee in Venice, communicating by telex with Paris, said that he knew of no major damage in that city. But he said the situation in Udine, northeast of Venice, was reportedly very serious. A radio report said part of Udine had been destroyed.

The tremor sent hundreds of thousands of Italians rushing from their homes, especially in the Venice area.

Telephone Service Cut

Hundreds of occupants of high-rise buildings in Belgium fled their apartments when shock waves were felt. There were no casualties and no reports of damage in Belgium, authorities said.

The wave that hit Belgium followed approximately a line from Mons on the French border through Brussels to Antwerp near the Dutch border.

Telephone service between Italy and the rest of Europe was cut. The tremor caused cracks in buildings in Nancy, France, and Munich and Frankfurt.

In Vienna, the Central Institute for Meteorology and Geodynamics said that the epicenter of the tremor probably was at Tolmezzo, near the Italian-Austrian border.

In Uppsala, Sweden, the Meteorological Institute registered the earthquake at 6.5 to 6.9 on the Richter scale. Prof. Marcus Baath described the quake as "unusually strong." He compared it with the devastating quake in Skopje, Yugoslavia, in 1963, which had a Richter magnitude of 6.9.

Measure of Motion

The Richter scale is a measure of ground motion as recorded on seismographs. In populated areas, an earthquake of 3.5 on the scale can cause light damage in the local area, 4 can cause moderate damage, 5 considerable damage, and 6 can be severe. A reading of 7 is a major earthquake, capable of widespread, heavy damage.

In Verona, also north of Venice, a roar filled the air shortly before the earth and buildings trembled.

Gianfranco Tagliapietra, his wife and children were among the thousands of Venetians who rushed out of their homes.

"I saw chimneys falling, and the sirens of police and fire squad boats filled the air," said Mr. Tagliapietra, 35. "No one remembers a tremor this strong in Venice and everyone is in a panic."

Power was temporarily cut in parts of Austria, and in the westernmost Vorarlberg Province, one of Austria's three radio stations went off the air.

In the 1963 earthquake in Skopje, Yugoslavia, the death toll was 1,101 persons killed and 3,350 injured. Four-fifths of the city of 170,000 inhabitants was leveled.

Relations Warmer

Accord by Egypt, PLO On Lebanon Reported

By Henry Tanner

BEIRUT, May 6 (NYT)—Egypt and the leadership of the Palestine Liberation Organization have reached a broad understanding for cooperation in Lebanon and on the international scene after nine months of strained relations, according to informed Arab officials. Sources close to Yasser Arafat, the PLO chief, said yesterday that the main purpose of the understanding was to strengthen Mr. Arafat's hand in his resistance to what they called "a Syrian attempt to bring the Palestinian resistance movement in Lebanon under the control of Damascus."

The Egyptian-PLO reconciliation was brought about with the help of Saudi Arabia, the officials said. The Saudis also have been acting as mediators between Egypt and Syria and between the PLO leadership and Syria.

For President Anwar Sadat of Egypt, the rapprochement with Mr. Arafat is the first step back from the isolation in which he has found himself within the Arab world since he signed the second disengagement agreement with Israel in September.

Assertive Stance

The Egyptian leader is expected by observers here to return to an assertive Arab nationalist stance in defense of the Palestinians.

Under the terms of the Egyptian-PLO understanding, more than 1,000 soldiers of the Egypt-based Ain Jalut Brigade of the Palestine Liberation Army are known to have arrived in Lebanon to counterbalance the presence of as-Sa'la, the Syrian-controlled Palestinian guerrilla organization, and of the Syrian-based units of the Palestine Liberation Army.

Secondly, Egypt acted at the express demand of the PLO leadership when it took the initiative to bring about a meeting of the United Nations Security Council in March to discuss the situation on the Israeli-occupied West Bank, informed Arab sources said.

The Palestinians, in turn, have agreed to tone down their public criticism of the disengagement agreement with Israel and, specifically, to refrain from personal attacks on Mr. Sadat, the sources said.

Radio Station

Finally, Egypt is understood to have promised to give the PLO control, fairly soon, of the Voice of Palestine radio station in Cairo, which was taken over by the Egyptian state radio last fall.

The first contingent of the Ain Jalut Brigade had been sent by sea from Alexandria, Egypt, to the Syrian port of Latakia, from where it was to move overland into northern Lebanon. But it was blocked and put back aboard ship by the Syrians, according to Palestinian sources.

The soldiers eventually reached the southern Lebanese port of Sidra, which is under the control of el-Fatah, the largest commando group within the PLO. The officers were issued student visas and flew from Cairo to Beirut aboard commercial airliners, Palestinian sources said.

The first public indication of a reconciliation between Egypt and the PLO leadership occurred Saturday when Mr. Sadat, in a speech in the city of Suez, went out of his way to praise the Palestinians.

Claim on Elections

Mr. Sadat said, among other things, that the recent municipal elections on the Israeli-occupied West Bank had borne out the PLO's claim to the sole representative of the Palestinians.

Wafa, the news agency of the PLO, in its first favorable comment about Egypt in nine months, praised Mr. Sadat's speech.

But as-Sa'la attacked the Wafa commentary, as did a spokesman for the extremist (Continued on Page 2, Col. 2)

Anwar Sadat

Yasser Arafat

Suggests \$1-Billion Fund

Kissinger Outlines Plan to Assist Third World Countries

From Wire Dispatches

OBI, May 6.—Secretary of State Henry Kissinger today outlined a plan to combat poverty, to the establishment of a new resources bank.

Kissinger spoke to the UN Economic and Social Council, then went to Paris, ending a 13-day African tour. Mr. Kissinger arrived in Paris at 10:30 p.m.

In his 10,000-word address, he drew warm applause from the 4,500 delegates. Mr. Kissinger proposed the establishment of a resources bank to invest in development of raw materials in poor countries.

He also announced U.S. willingness to participate in an international stockpile program to stabilize world food prices.

He proposed the establishment of a privately owned "technology corps" to transfer technology to Third World workers and to provide financial aid.

Reaction to Kissinger's reaction to the Kissinger was cautious but generally favorable. But some nations, in particular, were skeptical of the proposals.

Developing countries expressed a desire to see the Kissinger's proposals open a door to progress in world economic problems.

He said that the Kissinger's proposals are an inch wide now, but we will be able to drive an inch through them," he said.

Yugoslav expert on technology said: "Kissinger's proposals are a step forward and more specific than what the U.S. has said in the past."

French Finance Minister Pierre Fourcade said: "I am in favor of the proliferation of institutions. I am open to setting up a \$1-billion right away when it might as well be used."

Existing Organizations

said that investments could be handled through existing institutions such as the World Bank.

ports in the U.S. delegation that the full Kissinger proposal could result in higher prices for raw goods in industrialized nations.

ey said that some U.S. government agencies opposed this part of the program, but that State Department view had been changed.

An expert called the plan "an insurance policy to stabilize the world's economy."

Kissinger said in an interview with the three main U.S. news networks that debate his proposals "could become a scorching battle."

He said that the Soviet Union might not support the program, but would have "no means of blocking it" because Soviet financial support is not essential.

Mr. Kissinger said his program tells the Third World nations that "they should get off the slogans and get to work on a concrete program."

He rejected two cherished goals of Third World nations—a plan to "index" commodity prices so they rise automatically with inflation and a proposal for a general moratorium on poor nations' debt payments.

He also warned developing countries that policies of confrontation with the West would not work.

"The United States, better than almost any other nation, could survive a period of economic warfare," he said.

"The developing countries [would] only hurt themselves... through continued scarcities, cartels, embargos or arbitrary seizures of property," he said.

The proposal for the international resources bank was the major element of Mr. Kissinger's blueprint.

Its main purpose would be to encourage multinational corporations to invest in development of minerals and other resources in poor countries by offering them insurance against nationalization.

U.S. officials said that the U.S. contribution to the \$1 billion fund would be about \$200 million.

Mr. Kissinger went part way toward accepting a Third World proposal for stockpiles of major commodities as a safeguard against price fluctuations.

But he held out for a case-by-case approach to each commodity, implicitly rejecting a Third World proposal to create a special \$6-billion fund to finance a common stockpile program.

Mr. Kissinger devoted much of his speech to proposals for getting more Western technology into poor countries.

He called for programs in satellite technology, water resources development and ocean technology and special programs for technology training for people from poor countries in Western universities.

Mr. Kissinger said that prosperity for Third World nations cannot be achieved through one-sided programs.

The global economic system, he said, must be reformed.

(Continued on Page 2, Col. 1)

Italy Restricts Lira's Outflow With Rules on Imports, Travel

From Wire Dispatches

ROME, May 6.—Italy imposed its heaviest postwar restrictions on the outflow of capital today to shore up the crumbling lira.

Premier Aldo Moro's government, which resigned six days ago, stayed on as a caretaker Cabinet pending national elections June 20, imposed the curbs on currency dealings for a three-month period with permission from Italy's European Economic Community partners.

Acting a few hours after the lira fell to an all-time low of 916 to \$1 on the Milan market yesterday, the government ordered importers, Italians traveling abroad and other buyers of foreign currency to deposit 50 per cent of the sums involved in interest-free accounts with the Bank of Italy.

Only wheat importers were exempted from the measure, which Treasury Minister Emilio Colombo said would withhold about 4 trillion lire (\$4 billion) from speculators.

Lira Rebounds

The lira promptly regained ground as a result of the measure, closing in Milan at 899.80 to \$1 with a gain of 2.6 per cent. But businessmen warned of possible adverse effects.

The Commerce Confederation said that the compulsory deposits were likely to push prices

of imported goods upwards, adding to a domestic inflation that has approached a 20-percent yearly rate.

A spokesman for travel agencies said that the measure was likely to curb Italian tourism abroad and might lead to retaliation by other countries, depriving Italy of needed tourist income.

"We are also," he added, "in a position to draw on new and not insignificant means of support from our European partners, should we ever have the need."

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that helped West Germany "out of its isolation."

The Elysee statement today called Mr. Chirac's remarks "perfectly natural," but said they did not "put into doubt" the basic Paris-Bonn relationship.

The Italian government also has raised the issue with Bonn.

Despite the obvious Elysee effort to smooth the waters, French President Valéry Giscard

d'Estaing is known to think that Mr. Schmidt spends too much time criticizing his European partners.

Mr. Giscard d'Estaing's own views tend to focus on the problems that Communist governments would create for the European community. He believes that a Communist government would be protectionist and inconsistent with the European

community's free exchange traditions.

Mr. Giscard d'Estaing believes that events in Portugal during the last two years have opened the floodgates of a kind of permanent intervention of some nations into the affairs of others. He points out to visitors that France does not do it and he does not think that other nations should.

The President is reportedly ready to tell Secretary of State Henry Kissinger, who arrived here late tonight from his African trip, that anti-Communist statements from Bonn and Washington are both awkward and counterproductive. Much as he shares the view that Communism would be disastrous for Western Europe, he does not think that any nation likes receiving lessons from others.

Mr. Giscard d'Estaing thinks that the Communist influence in such nations as Angola is linked to the paralysis of Western policy, not to any ideological preference. He believes that the Africans have turned to the Communists to help rid themselves of colonialism, but that the West has basically far more potential influence than the Communists. He believes that this influence must be used through such vehicles as the 37-delegation North-South economic conference meeting here since February and through more Western development aid for the Africans.

Paris Trails Bonn in French-Ordered Survey in U.S.

PARIS, May 6 (NYT)—A poll commissioned by the French government and conducted in the United States for President Valéry Giscard d'Estaing shows that France trails Britain and West Germany in the estimation of Americans.

Mr. Giscard d'Estaing is known to be disappointed by the results of the poll and hopes that his visit to the United States this month will change opinion to some degree.

The poll shows that 80 per cent of Americans believe that Britain is an economically stronger nation than France. It also shows

that, to a great degree, they believe France is a nation unfriendly to the United States.

Mr. Giscard d'Estaing said the poll showed the misunderstanding Americans had of Gaulism. He believes it shows that Americans think that if other nations try to be independent of the United States it means they are hostile.

The poll showed that there is a wide difference of opinion between the so-called average American and highly educated ones. The average American tends to view France as more hostile. The exact figures in the poll have not been published.

Capital Is Relatively Calm

Fighting Continues Outside Beirut

BEIRUT, May 6 (UPI)—Rival militia units exchanged machine-gun and mortar fire outside Beirut today, but the capital was relatively calm. Political fighting continued to threaten the next step toward peace, the election of a new president, scheduled for Saturday.

At least 66 persons died in

fighting in Beirut suburbs and in the mountains west of the capital more than 100 were wounded.

In Beirut, the Palestine Liberation Army troops kept factions apart in the main confrontation areas.

On the political front, a rightist Phalangist party delegation arrived back from Damascus after talks with Syrian President Hafez

al-Assad and conferred with the outgoing president, Suleiman Franjeh.

Phalangist leader Pierre Gemayel said that in Syria the delegation discussed ways of "securing stability" in Lebanon.

Mr. Gemayel said the Phalangists could not be accused of being "an agent of Syria or any other country—particularly since those who are accusing us of this now have previously accused us of being hostile to Syria."

He stressed the Phalangist conviction that "any peace solution through the election of a new president and the formation of a new government will not mean anything unless there is a security force capable of imposing the law and implementing it."

The vote for a new president apparently will be a contest between the Phalangist-Syrian candidate, Elias Sarkis, the governor of the Central Bank, and the leftist candidate, Raymond Eddé.

No Third Candidate

Talk of a third candidate being put forward ended when Syria made it clear that it did not favor a challenge from the leader of a bloc of independent deputies in parliament, Suleiman Ali, Mr. Ali said that after talks with Syrian officials he had decided to support Mr. Sarkis "in accordance with the wishes of our Syrian brothers."

Mr. Ali's reference to Syrian activities in the campaign prompted the leftist coalition to hold another meeting under Socialist leader Kamal Jumblatt to discuss the situation.

Mr. Jumblatt has demanded that Syria remove its peacekeeping forces from Lebanon until after the election.

Political sources said there was a possibility that the leftists might insure that there would not be a quorum of 66 of the 88 members when parliament meets Saturday.

Italy Restricts

Lira Outflow

(Continued from Page 1)

Italy. A decree on this is expected before Monday.

In Brussels today, the EEC Commission warned Italy that it will order a suspension of the 5 per cent limit on lira outflow if it proves too restrictive or seriously harms trade among member states.

A Blow to Free Trade

The measure, which came into force at midnight, is a heavy blow to the already troubled EEC, breaching its fundamental principle of free trade.

But EEC officials said that the warning is largely cosmetic and that, in discussions here today, the permanent representatives (ambassadors) of the nine member nations were in accord that the measure was necessary and urgent.

In Paris, French officials said that Italy's decision was a blow to Common Market principles, but there was also sympathy and understanding for Italy's predicament just before next month's general elections.

Connally Forms Group

WASHINGTON, May 6 (Reuters)—John Connally, former Treasury secretary, has said he has organized a national citizens group to proclaim U.S. opposition to a Communist victory in Italy's national elections next month. His intention to form the group was reported April 26.

Mr. Connally said this week that the "Citizens Alliance for Mediterranean Freedom" would "demonstrate to the people of the Mediterranean that the people of this country care about their struggles for freedom."

He said the group would play no direct role in Italy's election but it might send sports, entertainment or political personalities to appear in Italy.

India, Pakistan Talks Set May 12

NEW DELHI, May 6 (AP)—India and Pakistan will hold talks on restoring diplomatic relations May 12-14 in Islamabad, an official spokesman said here today.

The talks, announced last month, are aimed at concluding agreements on restoration of air services and overflights, rail and road links and normalization of the relations which were severed in the 1971 India-Pakistan war. The External Affairs Ministry spokesman said.

The Indian delegation will be headed by Foreign Secretary J.S. Mehta and the Pakistani delegation by Foreign Secretary Aga Shahi, he said.



WEST BANK DEAL—Israeli Defense Minister Shimon Peres (right) agreed yesterday to lift the five-day curfew in Nablus, largest city of the occupied West Bank, after Mayor Bessam Shaka promised to maintain order there.

Curfew Is Removed by Israel In Two Towns on West Bank

TEL AVIV, May 6.—Israeli authorities today lifted a curfew that had forced Arab residents of the West Bank town of Tulkarm and the Casbah section of Nablus to remain in their homes during the Israeli Independence Day holiday.

Defense Minister Shimon Peres made the ruling after meeting with Mayor Bessam Shaka and the City Council, the national radio said.

The old city of Nablus had been under a curfew since Saturday, when Israeli troops killed an Arab during a confrontation with a rock-throwing crowd.

Tulkarm had been under a curfew since Monday, when crowds of youngsters clashed with Israeli troops.

Under curfew regulations, residents were allowed to leave their homes for an hour a day to buy food, but they complained that supplies were running short.

The radio said that Mr. Peres promised financial aid for the Nablus municipality's development plans.

Meanwhile, at the United Nations in New York, Israel yesterday accused Egypt of using the Security Council as a battlefield in its rivalry with Syria for the role of champion of Palestinian rights.

"It is for this barren purpose that you have been summoned here in order to satisfy Egyptian

political motives completely unrelated to the issue under discussion," Israeli Ambassador Chaim Herzog told the council during debate on Egyptian charges of an Israeli reign of terror on the occupied West Bank and in the Gaza Strip.

The debate is part of an Egyptian effort to reassert itself in the Arab world and to score over the Syrians, Mr. Herzog said.

Second Time

Diplomatic sources said Egypt brought the question of Israeli policy on the West Bank before the council for the second time in two months to exploit a rift between Syria and the Palestine Liberation Organization.

In Tel Aviv, government officials said Syria would probably push for a Security Council session on Israel's territorial conquests in exchange for renewing the mandate of UN peacekeeping forces on the Golan Heights at end of the month.

Israel, meanwhile, announced today that it had smashed an Arab guerrilla group on the West Bank before the group could carry out planned attacks against targets in the central and northern regions of Israel.

The group, belonging to the el-Fatah, the largest Palestinian guerrilla organization, included Arabs from Nablus and Jenin, a military communiqué said.

Italian War Hero Is Arrested In 1974 Plot to Kidnap Leone

TURIN, May 6.—Police have arrested an Italian World War II hero on charges of plotting to kidnap the President of Italy and overthrow the government.

Police gave no details of the charges against Edgardo Sogno, 61, who was taken into custody last night, and said only that he was accused of conspiring in 1974 to abduct President Giovanni Leone and illegally change the nation's form of government.

Luciano Violante, the judge who issued the arrest warrant, said Mr. Sogno had been under investigation for some time in connection with a 1970 plot to overthrow the government. The 1970 plot, canceled just before it was to occur, was masterminded by the late Fascist Junio Valerio Borghese.

Arrested with Mr. Sogno was an associate, Luigi Cavallo. A former cavalry officer, Mr. Sogno led a monarchist resistance group against the Nazis in World War II under the name "Comdr. Franchi."

[In the 1946 referendum, Mr. Sogno campaigned vigorously for the retention of the monarchy. Italian voters for the republic and the king had to leave the country before going to the polls to vote on the issue.]

Envoys to Burma

After this, Mr. Sogno founded anti-Communist organizations and entered the diplomatic service, serving as an embassy official in Washington and later as ambassador to Burma. He retired as ambassador in 1971 to devote himself entirely to politics.

The opposition Liberal party, of which he was a prominent member, recently suspended him from membership for six months because of his right-wing views.

In issuing the arrest warrant on Mr. Sogno, Judge Violante notified eight other persons, including former Defense Minister Rinaldo Ossola, that he was investigating them in connection with the alleged 1974 kidnapping plot.

"This time it seems to me Judge Violante, a known Communist, is overdoing things," said Mr. Franchi. "This gives us an idea of what our justice would be if the Communists were in power."

Meanwhile, an air force general and captain were acquitted on charges of instigating the military to disobey laws and break the oath of allegiance to Italy's Constitution.

The case centered on an article last year in an air force monthly which discussed the possibility of a military take-over in extreme circumstances.

Gen. Luigi Torzi, editor of the magazine, and Capt. Clemente Timbrelli, author of the article, denied that they were advocating a military coup.

Record Paris Heat

PARIS, May 6 (AP)—The temperature reached 84 degrees (30C) in Paris today, making it the hottest May 6 here since the French Weather Bureau started keeping records in 1872. The previous high was 83.9C in 1880.

Israel Fears Rift With U.S. on P

By Terence Smith

JERUSALEM, May 6 (NYT)—Although the recent published disagreement between the United States and Israel has concerned aid and arms supplies to Egypt, a more difficult, potentially explosive issue lies just beneath the surface. It is the question of negotiations with the Palestinians. Serious concern is being expressed here about the possibility of a confrontation with the United States over the issue after the November election.

Officially, the positions of the two governments appear to dovetail. Israel opposes negotiating with the Palestine Liberation Organization, and the Ford administration, for the moment, is not arguing the point. The U.S. position is partly a result of election-year considerations and partly a tacit acknowledgment that no substantive negotiations are likely this year regardless of Israel's position.

After that, Israeli officials fear, a basic conflict may arise whether Mr. Ford stays in office or another man becomes president. In the interest of getting negotiations started and avoiding new fighting that might lead to a renewed oil embargo, the theory goes, any U.S. administration is likely to press Israel to open negotiations with the Palestinians.

Continued Unrest

Israel fears on this score have been aggravated lately by continued unrest on the occupied West Bank and the results of the recent municipal elections there. Speaking privately, officials here concede that the United States is likely to view the widespread victories by the nationalist candidates in most of the West Bank towns as an endorsement of the PLO leadership.

Whether this is a legitimate interpretation of the results of the voting is beside the point. If the PLO chiefs become generally accepted in the United States and elsewhere as the representative leaders of the West Bank, the damage will already have been done from Israel's point of view. The inevitable result, in the opinion of officials here, will be U.S. pressure on Israel to reconsider its stand. The PLO will

U.S. Aide Asserts Saudi-Aid Claim Was Misleading

WASHINGTON, May 6 (UPI)—A State Department official yesterday described as "misleading" a former U.S. ambassador's statement that Washington ignored Saudi Arabian offers to reduce Soviet influence in Africa.

But spokesman Frederick Brown declined to respond in detail to the congressional testimony of James Akins, former ambassador to Saudi Arabia, on the ground that the matter is "complex" and that the State Department had not seen a full text of Mr. Akins' testimony.

"The inferences drawn from that testimony are misleading," he said.

Mr. Brown cited Mr. Akins' suggestion that Washington ignored the Saudi offer to counter Soviet military influence in Somalia because the administration needed the Soviet menace to justify building a U.S. base on Diego Garcia Island.

Mr. Akins told a Senate Foreign Relations subcommittee Tuesday that the Saudis had offered to replace the Russians as a source of economic aid for Somalia and to buy U.S. weapons for Somalia as well. The Soviet Union has been building an extensive base in the East African coastal nation.

Mr. Akins said that the administration never responded to the Saudi offer. A veteran of about 20 years' service in a diplomatic post, he has in effect been dropped from the Foreign Service since his assignment in Saudi Arabia ended.

Singapore Establishes Cambodian Relations

SINGAPORE, May 6 (AP)—Singapore today became the fourth non-Communist nation in Southeast Asia to establish diplomatic relations with Cambodia since the Khmer Rouge came to power last spring.

A government statement said that the step was taken "to strengthen our relations as members of the nonaligned group of countries on the basis of the principles of equality, mutual respect for national independence, sovereignty, territorial integrity and noninterference in the domestic affairs of each country."

Malaysia, the Philippines and Thailand have already established relations with the regime.

Paris Prohibits Pigeon Shoot

PARIS, May 6 (Reuters)—Police today banned a pigeon shoot at a club in the Bois de Boulogne after protests by ecologists and animal lovers.

But some intended victims had already been released. Last night, nature lovers broke open many cages and released several hundred pigeons being kept for the marksmen.

News Analysis

Israel Fears Rift With U.S. on P

then move into a focal position in the negotiating picture and the role of Jordan will further erode.

This prospect is why senior figures here are so upset about the outcome of the West Bank elections. It is not the change in local leadership that concerns them, but the conclusions that the United States and the rest of the world are likely to draw.

Daily Riots

Had they suspected three months ago that the nationalist victories would be so sweeping, the officials say, they would have postponed the elections for at least six months or until the area was calmer.

The Israelis also realize that the continued Arab strikes and demonstrations on the West Bank affect U.S. opinion. Riots occur almost daily now.

Furthermore, the PLO and the Arab states are expected to do everything possible to keep the West Bank situation boiling. Although the demonstrations are a genuinely indigenous phenomenon, fueled by the grievances of the local population, they are continually encouraged by Arab and Palestinian radio stations.

In lieu of any diplomatic or military progress against Israel, the Arab strategy for this year, in the opinion of specialists here, is to keep the heat on the West Bank area and fulfill the prediction

of Egyptian President Anwar Sadat that 1976 will be the year of the Palestinian.

No Evidence

Nonetheless, there is no evidence that the government is rethinking its Palestinian policy. "Our position is to change," a policy firmly last week.

Mr. Rabin's policy is down hard on the "using whatever force is necessary to keep the area quiet and out of hand."

Riots are concerned in the area, but the government is determined to keep the Arab peace process alive.

The prospect is for a summer on the West Bank—lowered—if Israeli negotiators with Washington should deal with the unruly of the Palestinians.

Egypt Said Moving to Hq Deterioration in Soviet Ty

By Thomas W. Lippman

CAIRO, May 6 (UPI)—President Anwar Sadat has decided that Egypt's estrangement from the Soviet Union has gone far enough and is moving on several fronts to halt the deterioration in relations between the two countries, according to informed Egyptian and foreign sources.

In recent days, the Egyptians have made several conciliatory gestures toward Moscow, and Mr. Sadat has been saying in private conversations and public speeches that he is seeking any further quarrels with the Soviet Union.

The two nations signed a new trade agreement last week, after months of delay, and a Soviet delegation is expected here next month to discuss a proposed five-year commercial accord. The Egyptian press, according to informed analysts, has been instructed to modify the anti-Soviet tone of its recent articles.

There is no indication, however, of any change in the Egyptian stance on military supplies and equipment that led Mr. Sadat to ask in March for the abrogation of the Soviet-Egyptian treaty of friendship and cooperation.

Requested by Moscow

Soviet sources say that the recent flurry of diplomatic consultations between the two countries, undertaken at Soviet request, did not deal with resumption of Soviet military shipments to Egypt. Western military experts say they have no reason to doubt Mr. Sadat's continued assertions that Moscow has shut off the supply of spare parts, replacements and new weapons to Egypt's Soviet-equipped armed forces, and say they do not expect such shipments to resume.

Relations between Egypt and the Soviet Union dropped to a 25-year low last month after abrogation of the treaty, expulsion of Soviet ships from the port of Alexandria and the establishment of a warm new friendship between Egypt and China.

As recently as Friday, Mr. Sadat told a Danish television team that the Russians were continuing to deny Egypt the military parts and maintenance service that the country needs to keep its weapons operational, and added that Soviet attempts to interfere in Egyptian domestic affairs contributed to the decision to scrap the treaty.

At about that same time, the Cairo press annoyed the Russians further by printing a story saying that a former U.S. Air Force base in Libya had been turned over to the Soviet Union by Col. Muammar Qaddafi and that the Communist flag was flying over the soil. That account drew exasperated denials from the Russians.

Foreign Ministry officials say that, while this was happening, however, Egypt remained aware that the Soviet Union is a superpower with which Egypt needs to cooperate in the United Nations and on such matters as the convening of the Geneva Peace Conference. Cairo and Moscow have been in accord on the need to go back to Geneva, with the Palestine Liberation Organization participating, as the best way to work out the Arab situation in the Middle East.

The recent meetings that Soviet Ambassador Vladimir Polyakov sought with high Egyptian officials were to coordinate strategy on these matters, diplomatic sources say.

Mr. Sadat's decision to consider a new treaty toward the Soviet Union, however, does not mean a fight with the Soviet Union. I hope the day will come when our independent position is understood and accepted and then relations between us and the Soviets will be established on a new firm ground," he said.

In the same speech, he said he had instructed Foreign Minister Ismail Fahmy to publish the text of a 1973 letter from Mr. Sadat to Soviet leaders that would contain "eloquent replies" to any Soviet charges against Egypt. New Foreign Ministry officials were advising correspondents not to hold

er asking for that they say, the decision it has been reaching.

The new trade agreement, according to Egyptian sources, provides for the maintenance of Egyptian built industrial plants. Egyptians had expressed concern that Moscow would use the agreement to bring the Egyptian economy closer to the Soviet one, which could be achieved if it were to be used.

Popular Front for the Liberation of Palestine, headed by Yasser Arafat.

An official of the Popular Front yesterday dismissed the report saying that the decision eventually have to be taken with el-Fatah's lead.

The official, in an interview, said that the decision to sign the agreement with Egypt was a Fatah initiative.

He described the decision that had arisen from the decision of President Sadat to charge that the Syrian and Lebanese forces were attempting to bring the Palestinian struggle under Syrian control and to implement Syrian policy in Lebanon. This is not permitted.

Historically, he said, Palestinians could never accept the support of the prisoners of war and government, which, in his view, would always put its interests above the interests of the Palestinians.

Senators Urge Administration Further Delay

WASHINGTON, May 6.—The Senate yesterday passed a resolution to delay the administration's decision to negotiate strategic arms limitations talks.

Approval of the resolution, which simply states that the Senate "resolves that it is the sense of the Senate that the administration should delay its decision to negotiate strategic arms limitations talks until it has received the views of the Senate," was 86 to 7. A resolution to delay the administration's decision to negotiate strategic arms limitations talks.

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Millionaires Paid No U.S. Taxes in '74

IRS Notes 1,100 Paid 49% in Levies

WASHINGTON, May 6 (AP).—More than 3,000 Americans who paid no federal income tax, according to the Internal Revenue Service, were among the millionaires who got off free was down from 1973, the IRS said.

In 1974, there were 1,100 persons with adjusted gross incomes of \$100,000 or more who paid no tax. In 1973, there were 1,164. The \$50,000-to-\$100,000 category, 3,053 persons paid no 1974 tax.

Persons in the \$12,000-to-\$50,000 category—roughly equivalent to the \$12,800 median family income for 1974—paid \$1,387 in tax, or about 11 per cent of adjusted income of \$12,800. The figures were taken from preliminary IRS report on the tax year that was released Tuesday. It identified none of the millionaires who paid nothing, the exception, not the IRS said. About 10 persons reported adjusted income of more than \$1 million, and on the average they paid 19.3 per cent of it in federal tax. In 1973, 903 earned more than \$1 million.

The 344 who did not pay taxes represented less than 1 per cent of the 31,133 taxpayers who earned \$200,000 in 1974. Similarly, vast majority of the 836,000 persons who made between \$50,000 and \$100,000 paid taxes.

The IRS said it will review all returns in the \$200,000-plus category that showed no tax liability to determine whether an audit is warranted. Finance Committee Chairman Russell Long, D-La., asked the IRS statistics as leading. He said that many of the 344 did not really have \$1,000 incomes as the term "income" is generally understood. Many had to borrow to make money, Sen. Long said, and they were entitled to deduct interest payments from their gross income, thereby reducing their liability.

A great deal of these problems the result of the fact that we've got a 70-per-cent wartime rate," charged Sen. Long, referring to the maximum rate. "You've got a 70-per-cent rate, people do all sorts of things their imaginations can concoct" to reduce their taxes.

Primary Ends 34-Year Career

INDIANAPOLIS, May 6 (UPI).—The Indiana primary ended the 34-year career of the oldest member of Congress—Rep. Ray Madden, D-Ind., the 84-year-old chairman of the House Rules Committee.

He was defeated Tuesday by State Sen. Adam Benjamin Jr., 60, in a contest in which age was the major campaign issue.

hearing Is Ordered in TWA-Injury Case

PHILADELPHIA, May 6 (AP).—A U.S. Circuit Court of Appeals overturned a lower-court ruling which had said that Trans World Airlines was not liable for injuries received by passengers during a terrorist attack at an airport in Athens.

The circuit court ruled Tuesday that the Warsaw Treaty—a 1929 agreement governing the liability of international air carriers—applied in this case. It sent the case back to the U.S. District Court in Pittsburgh for a re-hearing. Five members of a Steubenville, Ohio, family who were injured in the Aug. 5, 1973, attack on two Palestinian guerrillas led the suit against TWA.



CALIFORNIA Gov. Edmund Brown Jr. took his growing entourage to Capitol Hill yesterday and received the kind of welcome usually reserved for movie stars.

Veteran congressmen, who wouldn't cross the room to meet any other politician, hurried to shake hands with Gov. Brown. Tourists sought his autograph. Journalists jostled for position, frantically asking, "What'd he say? What'd he say?"

It was the biggest star since Elizabeth Taylor swept through the Capitol a few weeks ago.

Sharing the limelight was Sen. Hubert Humphrey, D-Minn., who offered encouragement. "You're doing beautifully," Sen. Humphrey told Gov. Brown, as they posed for photographs (above). "I'm working at it; I'm here to win," Gov. Brown replied. Gov. Brown is entered in the Maryland Democratic primary.

Ford Is Reviewing Strategy After Four Primary Losses

(Continued from Page 1)

counted ballots were included in the tally, their state would be tied with Mr. Carter's.

The uncommitted "Unit 78" state, led by D.C. Del Walter

Hospital Findings End Treatment For Humphrey

WASHINGTON, May 6 (AP).—Sen. Hubert Humphrey's doctor reported yesterday that he has found no need to prescribe further treatment of the Minnesota Democrat's potentially cancerous bladder.

Sen. Humphrey underwent a regular physical examination last weekend at Bethesda Naval Hospital.

Dr. Dabney Jarman's report said the examination found "no progression of his bladder condition and on the basis of these findings no further treatment is planned."

In repeated examinations since 1968, the former vice-president has been found to have "carcinoma in situ," which means cancer-like cells that have remained confined to a single, surface site. Treatment has included infusions of Thiotepa, a widely used anti-cancer drug.

Dr. Jarman said, "The general physical examination revealed completely normal findings. Further diagnostic scanning studies utilizing radioactive isotopes were performed. The results of these tests showed no evidence of disease."

Panamanian Aide Criticizes Reagan

BOGOTA, Colombia, May 6 (UPI).—Panamanian Foreign Minister Aquilino Boyd said yesterday that Ronald Reagan talked like a "jolly cowboy who doesn't appear to have gone to school" when the former California governor said he would risk guerrilla warfare to retain possession of the Panama Canal.

Mr. Boyd arrived in Bogota yesterday for meetings with President Alfonso Lopez Michelsen and Foreign Minister Indalecio Llerenas aimed at securing Latin American support for Panama's claim to the canal.

Secretary of State Henry Kissinger has been trying to reach a negotiated settlement with Panama.

Tito Will Visit Greece

BELGRADE, May 6 (Reuters).—Yugoslav President Tito will pay an official visit to Greece from May 10 to 13, it was announced here today.

Sickle Anemia Diagnosed in Womb Tests

U.S. Experiments Led To Abortion Choices

By Victor Cohn

WASHINGTON, May 6 (UPI).—Sickle-cell anemia has been successfully diagnosed in the womb for the first time by two medical teams, leading three sets of parents so far to decide on abortions to avoid having a child with this often crippling disease.

Although the work is still early and experimental, the doctors involved said yesterday that the forecasting could find far wider application in a few years.

Sickle disease mostly affects blacks. About 50,000 black Americans have the disease, and one in 10 is a carrier of the sickle-cell trait. The disease has been diagnosed in two fetuses so far—one in September and one last week—at the University of California in San Francisco. It was identified in another in November by Harvard and Yale doctors working together.

In all the cases, the disease was diagnosed in mid-pregnancy by locating the placenta through ultra-sound, then inserting a needle to take a sample of fetal blood.

The results were reported in the New England Journal of Medicine and in interviews yesterday with Dr. Yiet Wai Kan of San Francisco, Dr. Blanche Alter of Harvard and Dr. Maurice Mahoney of Yale.

Dr. Kan has also found four fetuses with beta thalassemia, an even more severe inborn blood disease that largely affects persons of Mediterranean descent, such as Greeks and Italians. Those parents, too, chose abortion.

Normal Pregnancies

In many other cases, the doctors emphasized, they have been able to tell worried parents that their expected babies did not have a blood disorder and they could continue their pregnancies without worry.

Sickle-cell anemia and beta thalassemia (or Cooley's anemia) are diseases which few persons have, but of which many are carriers. For the disease to appear, two carriers must mate. Then there is a one-in-four chance of the disease—and one in two of continuing the trait—in each child.

As part of a U.S. crusade against sickle disease, some new drugs have been tried, but none has proved successful. The increased attention, however, has improved treatment, authorities believe. It has also shown that many have the disease in mild form.

The researchers emphasized that the probes themselves carry a risk and that the method is still "very much a research procedure."

In three of 45 probes, fetuses died because placentas continued to bleed.

Crosland Meets Hua

HONG KONG, May 6 (UPI).—Anthony Crosland, British secretary of state for foreign and commonwealth affairs, met with China's new Premier Hua Kuo-feng, in Peking today, the New China News Agency said.

Study Gives U.S. Strategic Edge Over Russia

By Bernard D. Nossiter

LONDON, May 6 (UPI).—The United States has emerged from the recent years of crisis "in better shape" than the Soviet Union, the International Institute for Strategic Studies said today in its annual report.

Despite Watergate, Vietnam, higher oil prices and recession, the United States has maintained its "direct" security commitments to Western Europe and Japan, the study says.

U.S. defeats in Southeast Asia and Angola, the report suggests, have been more than matched by a long string of Soviet setbacks from grain production and the Middle East to Portugal.

The IIS is an independent research organization with links to British and U.S. military and intelligence sources. This year's estimate of a "strengthened" U.S. commitment backs up a European viewpoint that often goes unreported. Some commentators routinely report that Europe fears a weakening of the U.S. will. But the institute's judgment, largely the work of its director, Christopher Bertam, is probably more representative of official thinking.

To support the case of relative U.S. strength, the document cites this list of recent Soviet defeats: Moscow's reduction to a sideline role in the Israeli-Egyptian talks; its loss of

influence in Iran after Baghdad's pact with Iran; the growing independence of Syria from Russia; Japan's insistence on strengthening ties with China; Moscow's sharing of influence with China in Laos and Vietnam; the defeat of the Communists and their military allies in Portugal; the insistence of Italian French and Spanish Communists on independence from Moscow, and the failure of Soviet plans for a conference of European Communists. The report, however, is far from

pleased about every U.S. development. In the wake of Vietnam, it describes Washington's new policy as one of "selective" rather than "global" involvement, of refusal to oppose automatically every Soviet move. "This runs the risk, the paper warns, of failing to influence events before security is affected and then of over or underreacting."

The study is also troubled about what it sees as a swing in power from the "imperial president" to the "executive Congress." This deprives the United States "of a necessary measure of flexibility," the report asserts, because a legislature is "too clumsy" to handle foreign affairs. The paper predicts that a "new and more stable balance" will emerge in time.

The report concludes that the military balance on the whole is currently "acceptable," despite the buildup in Soviet weapons and naval power. On the European front, the report says that the Warsaw Pact advantage in numbers of men, tanks and planes is countered by the NATO edge in quality.

The survey calculates that the United States and its NATO allies are spending one-third more than the Soviet bloc on defense and keep about 10 per cent more men under arms. The estimates for 1975 are: West, \$149,900 mil-

lion in spending and 5.1 million men; East, \$114,400 million and 4.8 million men.

The report asserts that the world has become a "more dangerous" place. Old conflicts went unsettled in 1975. It argues, ignoring Vietnam, and new ones emerged in Lebanon and southern Africa.

Two Apologize In Boston Attack

BOSTON, May 6 (AP).—Two white juveniles found guilty of assaulting a black attorney at City Hall Plaza on April 25 issued a public apology yesterday, saying, "Violence is not a means to justice."

The youths, unidentified because of their ages, were found guilty April 27 of assault and battery with a U.S. flag and staff in connection with an attack on Theodore Landsmark after an anti-busing rally near City Hall.

The two said: "We hope that the people of Boston, in particular the young people, both black and white, can learn by our experience that acts of violence serve no meaningful purpose and can only lead to unnecessary grief and mental anguish to both themselves and their families."

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Capitol Hill Debate Resumes On Use of Rhodesia Chrome

By Steven Rattner

NEW YORK, May 6 (NYT).—Last week, Secretary of State Henry Kissinger announced during his swing through Africa that he would seek to end U.S. imports of Rhodesia chrome.

The speech prompted what has become an annual ritual in Washington—a debate among legislators, joined by business and social-action groups, over the five-year-old amendment of Sen. Harry Byrd Jr., Ind.-Va., to circumvent the United Nations embargo against Rhodesia.

Rhodesia has two-thirds of the world's reserves of highest-grade chrome and is one of three major suppliers, with the Soviet Union and South Africa.

High-grade chrome, a dull black ore in its natural form, or

used to make stainless steel and is also important in the production of jet-engine parts, cast iron and alloyed steel. Lower-grade chromes, such as those used to make automobile bumpers shiny, are available in abundant supply from alternative sources.

But with no domestic source of high-grade chrome, the United States last year was forced to import 570,000 tons of ore and 378,000 tons of ferrochrome, the purified form. Of this, 17 per cent of the ore and 38 per cent of the ferrochrome came directly from Rhodesia. The majority of the imports come from the Soviet Union.

Security Question

Sen. Byrd and his allies assert that the United States must not become dependent on a Communist country for a raw material deemed essential to national security.

Opponents of the measure contend that supporting the UN resolution is proper and in the long run would prove fruitful if a black regime came to power in Rhodesia. At the same time, they calculate that an import ban is likely to have only minimal economic consequences.

Business stands solidly behind Sen. Byrd's efforts, at least partly on the argument that a return to the ban that existed between 1966 and 1971 would only exacerbate existing supply and price problems.

"Whenever the amendment has been up for reconsideration, the Russians have doubled their price and cut shipments by 35 per cent to reduce American inventories," charged E.F. Andrews, a vice-president of Allegheny Ludlum Industries, which is a major user.

According to a spokesman for Union Carbide, the price of Soviet chrome increased from \$27 a ton in 1966 to \$56 at the height of the ban in 1971, then fell to \$38 in 1972. Today the price is \$170. Prices for both South African and Rhodesian chrome have remained lower.

Moreover, according to Perry Wilson, chairman of Union Carbide, "there are indications that the Russian ability to supply is less than in the past." The Soviet Union is believed to have less than 5 per cent of the world's chrome resources.

While in the long run U.S. producers expect to become more dependent on South African supplies, the ore is not as good as Rhodesia's and the availability of South Africa's high-grade chrome is limited.

Rhodesia Rail Is Attacked By Guerrillas

Raid Is the First Made On Line to Botswana

SALISBURY, May 6 (UPI).—Black guerrillas yesterday made their first attack on the Botswana railroad that links Rhodesia with South Africa, a government spokesman said today.

The attack caused only minor damage, military sources said. The railroad is one of two that links landlocked Rhodesia with South Africa.

Military sources said it was unlikely that the attack was made by insurgents operating from Rhodesia's black-ruled eastern neighbor, Mozambique.

In the last two months, groups from Mozambique have cut the other rail link with South Africa for brief periods.

Far From Mozambique

Attacks on that line have occurred 100 miles from Mozambique guerrilla hideouts.

The raid yesterday, at Plumtree, on the border between Rhodesia and Botswana, was 250 miles from Mozambique. Military sources said that the guerrillas either crossed from neighboring Zambia or had been hiding in Botswana.

Seas Change Hands

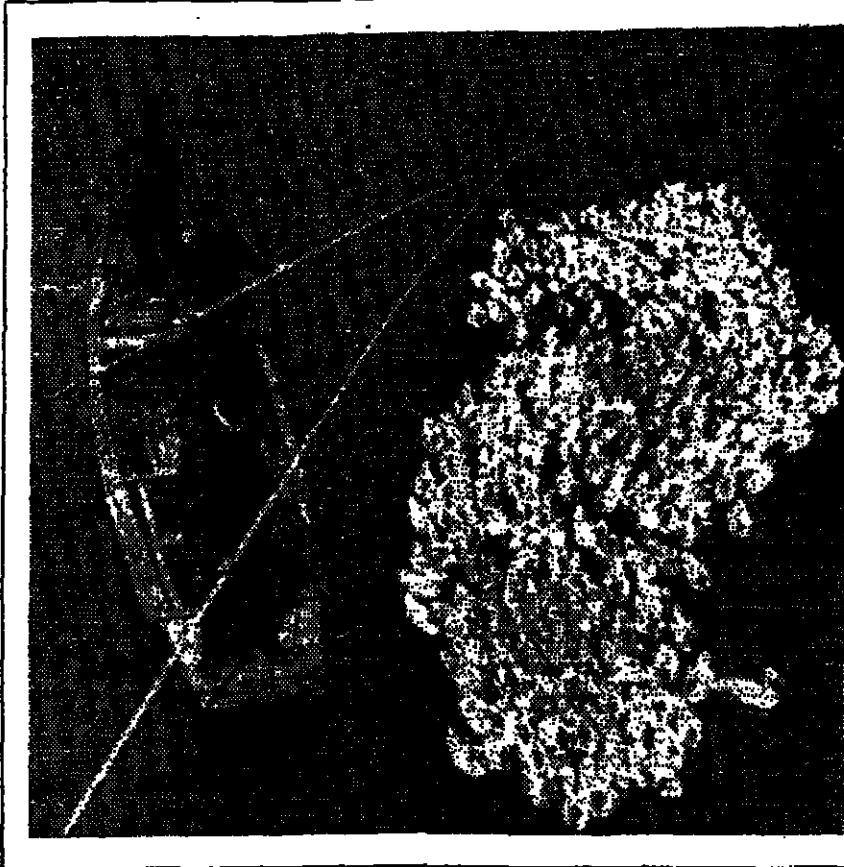
DURBAN, South Africa, May 6 (Reuters).—South Africa's anti-apartheid Progressive Reform party has won a parliamentary by-election here which could put it on a path to becoming the country's main opposition group.

The election in north Durban yesterday was seen by political observers as a significant test of white South African opinion following recent events in Rhodesia and Angola.

In the results, announced early today, Harry Pitman of the Progressives took the seat from the United party, presently the main opposition group.

The Progressives won 4,243 votes, the United party 3,919 and the ruling National party 3,139. The Progressives now hold 12 parliamentary seats, the United party 36 and the Nationalists 122. There is one vacancy.

But the United party, which opposes apartheid but proposes a federal system with power still solely in white hands, has many marginal seats now likely to fall to the Progressives. The Progressives propose a network of self-governing multiracial districts linked to a federal government.



DUCKHERDS—Chinese farmers using long poles to shepherd their flock as they move it to a new location. Photo was made near Soochow.

UPI

Urges Senators to Back Nuclear Fleet

Rickover Opposes Rumsfeld on A-Vessels

By John W. Finney

WASHINGTON, May 6 (NYT).—Vice-Adm. Hyman Rickover challenged the Ford administration's shipbuilding program yesterday, protesting that it did not provide for enough nuclear-powered ships.

Adm. Rickover testified before the Senate Armed Services Committee in opposition to the program that Defense Secretary Donald Rumsfeld presented to the panel Tuesday. The 76-year-old admiral is trying to turn the Senate committee toward the construction of nuclear-powered ships, as he had already succeeded in doing with the House Armed Services Committee.

In increasing the administration's shipbuilding program by nearly \$2 billion, to \$7.3 billion, the House committee added four nuclear craft—a Trident missile-launching submarine, an attack submarine, an aircraft carrier and a strike cruiser—as well as directing that the nuclear-powered cruiser Long Beach be converted to carry the new Aegis air-defense system.

But the administration took the money added by the House committee for nuclear-powered ships and redistributed it among less expensive, conventionally powered vessels, such as a new class of patrol frigates. The revision reflected Mr. Rumsfeld's conclusion that the House bill provided the "wrong mix" of ships and that what the Navy needed now was quantity and not quality.

Concession on Carrier

The only concession made by the administration was to agree that the fifth nuclear-powered carrier should be started next year, rather than in 1978 as proposed. While intended to mollify the House committee, the concession was not large enough to appease Adm. Rickover, who urged that all the nuclear ships approved by the House be restored by the Senate committee.

Other secretaries of defense have been reluctant to do public battle with Adm. Rickover, while complaining privately about his political influence on Capitol Hill. In the wake of the admiral's testimony, a question in congressional circles was whether Mr.

IRS to Aid Unit Probing Criminal Political Payoffs

WASHINGTON, May 6 (AP).—The special Watergate prosecutor's office is enlisting the aid of Internal Revenue Service agents in an expanded inquiry into alleged illegal corporate payoffs to politicians.

A federal judge has signed an order allowing special prosecutor Charles Ruff to show IRS agents the evidence which a grand jury has compiled on the \$5.4 million that a former Gulf Oil Corp. lobbyist allegedly gave to politicians. The probe also may involve illicit contributions by other corporations.

Court records showed the order indicates that the IRS agents will be looking for "possible criminal tax violations" among the politicians who allegedly got the money.

Among those said to have received funds from onetime Gulf lobbyist Claude Wild is Senate minority leader Hugh Scott, R-Pa. Court depositions said that Mr. Wild gave Sen. Scott \$10,000 annually from 1968 to 1973.

Sen. Scott has said that any money accepted by his political campaigns went for political purposes and that he had no knowledge that any funds originated from corporate sources.

Rumsfeld, who feels politically more secure than his predecessor, James Schlesinger, would permit the attack on the program to go unchallenged.

In asserting that the administration was following "a short-sighted path," Adm. Rickover pressed his argument that nuclear-powered ships, while more

expensive, were needed to counter a Soviet naval threat that he described as "real and ominous."

The United States, he said, "has given up any possibility of matching the Soviet Navy in number of ships; therefore, our only hope is to be able to carry out our mission in the areas of highest threat is superior ships."

Science, Technology Gaining Growing Approval in the U.S.

By Boyce Rensberger

NEW YORK, May 6 (NYT).—Although many scientists complain that the U.S. public is increasingly turning against science and blaming it for the ills of modern society, a public opinion survey conducted for the National Science Foundation indicates quite the opposite.

Seventy-five per cent of those interviewed in a national sample of adults said they thought science and technology had changed life for the better, up from 70 per cent just two years earlier. Only 5 per cent said science had changed things for the worse, down from 8 per cent in the earlier survey.

Most of the persons interviewed also thought science and technology had done more good than harm, that social controls on science should not be increased, and that science and technology would eventually solve some or most of the problems of disease, pollution, crime and drug abuse.

Emotional Reactions

Seventy-eight per cent said their emotional reactions to science and technology were "satisfaction or hope" and "excitement or wonder." Only 12 per cent felt "fear or alarm" or "indifference or lack of interest."

On every question, the opinions of those in the 18-to-29-year-old group were about as positive toward science as those of their elders.

The survey results are contained in the latest annual report of the National Science Board, the policy-making body of the National Science Foundation.

Although the report was released in March, most attention there focused on its statistical indications that U.S. science may be losing its international preeminence. Details of the attitude survey, buried in a document of more than 350 charts and tables, went largely unnoticed.

"Public attitudes affect science and technology in many ways," the board's report says. "It is influential in determining the broad directions of research and innovation, and through the political process, the allocation of resources for these activities."

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Replacing Turmoil in Streets

Prerevolutionary Diversions Return to a Subdued Portugal

By Jim Hoagland

LISBON (WP).—Much of the tumult has gone out of daily life in the Portuguese revolution. A nation that has spent two years excitedly gulping at the oxygen of a free political system after a half-century of dictatorship appears to be pausing to take its pulse rate.

The chaotic and vibrant days of last fall, when hikers and mine workers besieged the Premier in his palace to demand a wage increase and hundreds of Lisbon residents gathered daily in the city's spacious squares to argue the merits of Marx, Trotsky and Edmund Schmidt, have subsided.

The new subdued tenor is felt everywhere, from cabarets to car parks.

Lucilia do Carmo, a popular singer of the mournful fado ballads that are a national passion, had just entered the full house in an expensive cabaret that had been empty during the days of tumult. A Portuguese-speaking and slightly drunk foreigner called up from the audience, "Sing 'Grândola Vile Morena.'"

A disc jockey played that banned folk song on his radio program on the eve of the April 25, 1974, revolution as a signal to troops to launch the coup, and "Grândola" became the revolution's theme song.

Nonpolitical Song
"I don't know the words," Miss Do Carmo said with an icy stare at the foreigner. The other diners, some wearing Socialist party badges, looked down at their plates in embarrassed silence until she began a popular nonpolitical song.

Hordes still surge down the broad Avenida da Liberdade, central Lisbon's main thoroughfare. But this year they are not crowds of banner-carrying, chanting workers, businessmen or students turning out en masse to protect their particular version of the revolution from attack from the left or right.

This year they are in automobiles. Cars have regained the streets as motorists no longer fear becoming trapped by street demonstrations and perhaps having their vehicles damaged. The rush-hour traffic jams are among the worst in Europe.

"You can't imagine what it was like from the inside," said a senior government official who recalled the "terror of the anarchy we had" when asked what has changed.

"I was trapped in this office one day," he said. "There were 3,000 of them out there howling for me to come out, and I only had 28 policemen to protect me. Thank God we have changed that."

Level of Tolerance
Foreign residents of Lisbon stress, however, that the Portuguese have shown a remarkable level of tolerance and a low propensity for violence in their two years of coups and countercoups, street turmoil and political upheaval. In all, there have been perhaps two dozen deaths associated with these events.

All the sophisticated analyses of why Spain will not be like Portugal, of the internal structures of the army and the impact of decolonization, can really be boiled down to one thing, "one of the foreign residents said. "In Spanish bull fights, the bull is always killed. In Portugal, the bull is never killed."

At a Communist party rally, the crowd's roars were red berets and the masses who turned out to hear party leader Alvaro Cunhal waved thousands of red flags with yellow hammer-and-sickle emblems. Yellow balloons floated above a small papier-mâché Soviet spunk hovering over the crowd as Mr. Cunhal returned the clenched-fist salute to 50,000 partisans.

Western Bourgeoisie
Viewed from the podium, the scene could have sent chills down the back of the Western world's bourgeoisie. But the mood at the back of the crowd was far different.

Old women were selling Karl Marx T-shirts, hammer-and-sickle pennants and party ashtrays.

Vendors of Pepsi-Cola (the former rightist dictatorship long banned Coca-Cola in a campaign against foreign influence) and codfish cakes were doing a hectic business as weekend peasants and miners, trucked in for the rally, drifted around.

"These people lead such hard

lives that the party gatherings are kind of like picnics for them," a party worker said after the rally, which was to be dissected the local and world press for signs of a political turn.

"I don't really know if the speeches mean very much to them, or if it is only a world class cocktail party," the party worker said.

The reports followed separate meetings which King Juan Carlos and Interior Minister Manuel Fraga Irujo held, yesterday with opposition leaders. It was the first time that the King gave a formal private audience to an opposition leader.

The government newspaper A Tribuna said there were "signs of détente in the Spanish sky. There is a truce [between the regime and the opposition]... We do not know how long it will last, we do not know when it is based. But it does exist."

At the same time, the lawyers of jailed leftist opposition leaders said that they had been told that the imprisoned men would be released shortly. The prisoners, arrested five weeks ago and charged with advocating a change in government, include labor leader Marcelino Camacho, Communist Ramon Tamames and liberal lawyer Antonio Garcia Trevijano.

A government source confirmed the report and said that hundreds of other political prisoners will be released in the next few weeks.

The King conferred in private with Christian Democrat Jose Maria Gil-Robles for 1-1/2 hours yesterday.

Mr. Gil-Robles, a former defense minister in the Spanish republic that was defeated by Franco's nationalists in the 1936-39 civil war, heads the Popular Democratic party. As a result of the slow rate of reform, the middle-of-the-road group last month decided to ally itself with Communists, Socialists and other leftists in a broad coalition of forces pressing for rapid democratic change.

The national news agency, Clusa, said that the meeting was of "great importance." The newspaper El Pais said that Mr. Gil-Robles "may have acted as a spokesman for all opposition forces before the King." There was no official comment on what was discussed at the King's palace.

At the same time, Mr. Fraga dined in Barcelona with the leaders of the powerful Social Democratic movement in the Catalonia region, Josep Pallach and Ernest Berroa.

Contacts between the government and opposition leaders had been unofficially reported for several days, since May Day passed without the degree of street unrest expected in some official quarters.

Juan Carlos Sees Leaders Of Opposition

MADRID, May 6 (UPI).—Government sources and newspapers reported today that the government was in contact with the democratic opposition to test the ground for political negotiations.

Formal negotiations on mutually acceptable changes in the regime established by the late Generalissimo Francisco Franco would break a deadlock on the question of political reform.

There have been no known contacts in recent weeks. Political tensions have grown since Franco's death almost six months ago.

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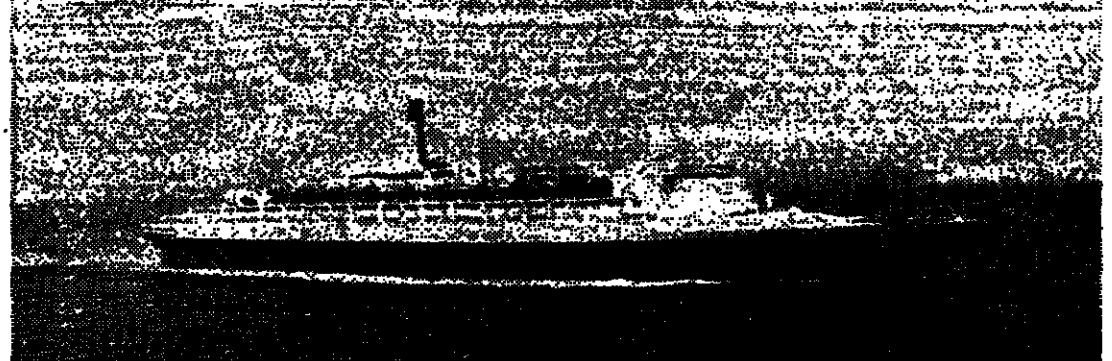
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Southampton-Charbourg-New York

MAY	JUNE	JUNE	JUNE	JUL	JUL	AUG
22	3	15	27	9	22	3
AUG	AUG	SEP	SEP	OCT	OCT	NOV
15	27	8	20	9	21	28

New York-Charbourg-Southampton

MAY	MAY	JUNE	JUNE	JUL	JUL	JUL
5	27	8	20	2	14	27
AUG	AUG	SEP	SEP	SEP	OCT	OCT
8	20	1	13	25	14	31



Queen Elizabeth 2 will be crossing the Atlantic 28 times between May and November.

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KINGDOM OF MOROCCO

REGIONAL DEPARTMENT FOR THE AGRICULTURAL DEVELOPMENT OF THE LOUKKOS AREA

KSAR EL KEBIR B.P. 48

NOTICE FOR INTERNATIONAL TENDERS N° 2,76

The Director of the Agricultural Development Department of the LOUKKOS

THIS THEATER

A Free-Wheeling Version of 'Ruy Blas'

Thomas Quinn Curtiss

May 6 (NYT)—Jean-Pierre Bouvier is a young actor who has his own way. His dignity and vitality are in a growing following. In this season he started in the role of "Lorenzaccio" at the Théâtre d'Action. Now he is performing Victor Hugo's "Ruy Blas" as it usually is not.

He has listened, hypnotized, moved, to these same lines rolled out at the e-Francaise, so expertly rhythmically as to recall the curving from the of personages in medieval. There the play is a museum relic. In Bouvier's free-wheeling version it is to life.

pace is fast with five acts only two and a half hours the intermission. But the in no way obscures the of the text or the poetic. It benefits the unfold, the extravagant narrative

which Max Beerbohm once described as inspired balderdash.

Bouvier is Ruy Blas, the valet, whose wicked master, Don Salluste, plots the downfall of the queen. Masquerading as the missing Don César, Ruy Blas attains high honors at court and wins the heart of the queen, whom he has long worshipped from afar.

Bouvier reads the tirades—in particular the eulogy to Spain's glory, delivered before the courtiers—with the idealism of youth and conveys the troubling vulnerability of the servant disguised as a lord. Anne-Marie Philipe, Gérard Philipe's daughter, a newcomer of remarkable beauty, is a perfect choice for the queen. She and Bouvier bring to the scenes of the star-crossed lovers a haunting poignancy. Gérard Ortega as Don Salluste is an effective stock figure, while Gérard Darmon is properly boisterous as the real Don César. Don Guritan (Bernard Lermagne), the courtier jealous of the queen's affections, has been outlandishly burlesqued. But why not? Hugo sketches him as a pompous windbag so there is no harm in pushing his absurdity on the stage for a few laughs. That inventive comedian Francis Ferrin scores in a brief appearance as a drunken lackey.

The staging is direct and force-

ful. A platform, a passion and players constitute the necessities for drama in Molière's definition. Here, there is no scenery and the costumes—save for the queen's white robe—are utilitarian. The action is given headlong rein and at once captures and holds the attention. Great poetry and great theater are brilliantly and exhilaratingly set before the audience in an imaginative production charged with sound acting. Glittering decor and lavish wardrobes would only be superfluous distractions.

This "Ruy Blas" will be in the Tuileries for two months with performances nightly at 8 (except Mondays). Next season the Théâtre d'Action Populaire is planning to produce Molière's "Les Caprices de Marianne" and John Osborne's "A Patriot for Me."

Sylvia Montfort is presenting samples of African theater and music at the Nouveau Carré through May and June.

On Wednesday evening the Groupe d'Action Théâtrale Arabe opened its engagement with "Rass Kasab Jaber," a play in Arabic by S.A. Wazou. A fresco of life in Baghdad under the last of the Abbassid caliphs, it exposes the intrigues and treachery of that decadent reign. Jaber, an embat-

Jean-Pierre Bouvier, actor and director of "Ruy Blas," at the Tuileries Gardens.



tioned slave sent on a dangerous mission, is rewarded for his courage by being beheaded, a futile victim of the grand vizier, who is plotting to sell his country to a foreign enemy.

The fable, in the Arab oral tradition, is recounted through the reminiscences of a professional tale teller. There is verve and talent to this show. The presentation is in the round.

Assets of this enterprising company are Eliothen Roston as the storyteller, Djihad Beghou as the unfortunate slave, Mohamed Kouka as the caliph of Baghdad and Lella Shenna, the Moroccan film star, as Zomrod. Especially

interesting is the work of Guy Jaquet, formerly a Comédie-Française pensionnaire, credited as El Arbi in the program, who proves as competent an actor in Arabic as he is in French.

Several of Lodewijk de Boer's plays in Dutch have been translated into French, English, German and Danish.

His "La Famille" (at La Cour des Miracles) is a rather heavy-handed and very long satire that divides both family life and family life as it is reproduced in television soap opera series. Probably in Holland it was presented in a self-theater with an episode each week, but in Paris Part I begins at 5:30 p.m. and runs until 7:30. The second half, another two-hour session, goes on at 9:30.

Garçature at its best is compact, a distilling of the essence of its target to which the poison of ridicule is added. In "La Famille" the humor is so clumsy that spectators appear in doubt whether to laugh with or at the vicious morons who compose the circle: a demented young woman and her two brothers. They do not seem typical of the lower middle class in general, but rather pathological monsters.

By Boyce Rensberger

TRENTON, N.J. (NYT)—The computer, once an awesome, mysterious and incredibly expensive machine of superhuman powers, has become the hottest new toy of electronics hobbyists, some of whom predict that within a few years computers will be commonplace in American homes.

Retail computer stores—the Hoboken Computer Works, for one—are springing up around the country. Several computer hobbyist magazines have begun publishing. And last weekend the new movement held its first convention—the Trenton Computer Festival, which drew an estimated 1,500 men, women and children to lectures, commercial exhibits and an outdoor computer flea market.

"We're on the doorstep of a brand new thing," said Sol Libes, a festival organizer who is president of the Amateur Computer Group of New Jersey. "Until a year or so ago, there weren't more than a hundred or so people who had computers in their homes. Now we estimate there are around 5,000. And it's growing."

The upsurge in amateur computer hobbyism is the direct result of the sudden and dramatic decline in the price of a new device, called a microprocessor, which, in effect, is an ultra-miniaturized computer.

Size
A single microprocessor, the size of a half a stick of gum, can contain 3,000 transistors along with other components that are the equivalent of a room-size computer of 10 years ago.

A decade ago a computer of this capability cost several hundred thousand dollars. Today, using the mass-produced microprocessor, one can be had for \$200. For \$1,000 a hobbyist can now have a computer far sur-

The Hottest New Toy

Putting Computers in the Home

passing the best that International Business Machines or Sperry Rand had to offer barely a decade ago.

Four years ago a typical microprocessor cost \$400. Today the best-selling one retails for around \$15. A typical hobbyist's computer has one or more microprocessors, a keyboard for entering instructions, a memory unit, and a television set for displaying the answers in number, word, chart or picture form.

With all this computing power at their fingertips, how are amateur computerists, as some like to be called, using their machines?

Demonstrations abounded in the festival's exhibition halls on the Trenton State College campus. A color television set, displaying computer graphics, depicted a gin bottle endlessly pouring marbles. Another screen, challenging passersby to a game of blackjack, asked first, "Wager?" It also said, "Anytime you want me to reshuffle the cards, type 7777."

Practicality
But what about practical uses? "Well," said Claude Kagan, a researcher at Western Electric,

"you could tell who was ringing your doorbell. You could weigh all the people you know and put in their heights and diameters and the computer, with photocells, could tell you whether a stranger was at the door."

Other uses, Mr. Kagan suggested, would be to have the computer operate, by remote control, a vacuum cleaner or a lawn mower. The layout of the living room or yard would, of course, be part of the program.

"Actually," said Steve Stallings, an editor of the Computer Hobbyist, "most of us are into computers because they're fun. The really practical applications at this stage are not too great. I think most of us say, 'Hey, that's a nice playtoy. What can I say that would justify it?'"

Although some computer enthusiasts say home devices could be used to keep one's household budget in order, file information and prepare tax returns, many say it has great potential as an entertainment and educational medium.

For example, it is already possible to buy ready-made programs that will set up any general purpose computer to play such simulation games as Rats—strategies involving rat control in an urban area can be explored. Factors involving sanitation, pesticides, rat immigration and emigration are included.

Some computer hobbyists predict that in the next few years many other such programs, offering new kinds of games, educational courses and artistic media, will be available. They foresee a time when a cheap computer linked to the television set and an electric typewriter will allow any family to make use of such programs in the home.

"I'm not saying computers are for everyone," Mr. Libes said. "But it's clear that more and more people are getting into this."

Hashish in Two Cars On Casablanca Ferry

MARSEILLE, May 6 (Reuters)—Two Swiss and two Italians were charged with drug smuggling Tuesday after customs officers said they found a total of 64 pounds of hashish hidden in their cars, traveling on the same ferry from Casablanca, Morocco.

Police said 35.3 pounds of the drug were found in the car of Markus Padestre, 24, and Petro Tevesh, 23, both of Switzerland, and the other 28.7 pounds in the car of Italians Massimo Trombetti, 26, and Giorgio Trombetti, 37.

FRANCE, ENGLAND, ITALY

Guide to European Summer Courses in Cooking

YORK (NYT)—A cook's it is hardly what it used to be relegated to the tourist arranged by the travel Thomas Cook & Son, the now has more pertinence applied to the ever-increasing numbers of people who take lessons in one glamorous or another.

ing with the success of ar's efforts, a number of cooking school teachers United States are packing and crepe pans and cartons off to Venice, Bologna, London, Oxford, Rouen, Paris.

dition, a number of Euro-ased schools are modifying more lengthy and summer schedules to accommodate students who shorter, intensified courses a-day once-over-lightly most of the curriculum classic French cooking, are several devoted to Italianities, and to the traditional cooking of England.

most, tours to restaurants are included in the se, and between meals sh-ave plenty of time for e-ing, shopping and restaur-opping. Full information h school can be obtained ing to the addresses below. e of widely fluctuating y rate changes, the costs, noted, should be consider-y as approximations.

France

on Bleu. Special courses sic French home-cooking rganized for July and ber, with the management ; that details have not yet set. The subjects of the s will depend on what ap- is ask for. The school di- vide a fee schedule for the underterm summer courses, s normal charges may pro- one indication as to what ect. Classes composed of stration and participation out \$600 to \$800 for six- sessions, depending on the t. The instruction is in t.

her information may be ob- by contacting Le Cordon Cooking & Pastry School, e du Champ de Mars, 75007

ire. Considered to be the ost caterer in the East- ndre specialist in the sion and presentation of ous desserts, candies and The school, about an hour Paris by train and bus or e way to Chartres, also nstructions in the cater- hunches, cold buffets and parties.

ses, which are conducted in h only, are generally Mon- rough Friday. The school's t closing this summer will n July 16 to Aug. 22. A one- course costs about \$440, in- i in the price are the sh- breakfasts, lunches and in- ts to be used in each class. further information, write Pornee, Directeur de l'Ecole re, Hameau des Gâtines, Industrielle, 78370 Plaisir, re.

ress Ere 2801. This Paris- g school, run by Marie- he de Broglie, is offering er cooking lessons near a, based on Norman cuisine. nstration lessons are given glish each morning, Monday gh Saturday, and are de- to leave the afternoons for sightseeing.

a cost is \$100 a week and the s are given in July, August, September, except July 12 to d Sept. 1 to 12.

ther information may be ob- d from Marie-Blanche de e, 18 Avenue de La Motte et, Paris 75007.

ome Beck's L'Ecole des Trois mades. This school, orig- a joint effort with Julia t, should be considered only es who are making their on place extremely well in ea. Mrs. Beck is completely

booked up for about two years for a classic French course that she describes as very limited during the summer.

The classes are bilingual, but mostly in English. For information, write to Mrs. Beck at La Campanette, Domaine de Esma- rian (Château de Bessières), 06740 Châteaufort de Grasse, France.

La Varenne. Offered are classes in French home-cooking for beginners; those with some experience and for experts. All equipment used is of the kind to be found in a well-equipped private kitchen, and both gas and electric stoves are used.

Participation classes in English and French are held 10 a.m. to 1:30 p.m. on Monday, Tuesday, Thursday and Friday, and demonstrations are conducted from 2:30 to 4:30 p.m. Monday through Friday. Classes will be conducted in June, July and August.

A one-week course costs about \$155. La Varenne's Ecole de Cuisine is at 34 Rue St. Dominique, Paris 75007.

Britain

Cordon Bleu Cookery School. Included in 14 courses in French cooking offered is a five-day intensive course from 10:30 a.m. to 4:30 p.m. with participation in the morning and demonstration in the afternoon. The cost is \$125, but most of the summer courses are already fully enrolled for this year.

The administrative principal, Mollie Sharland, recommends as an alternative to the above course that summer visitors consider demonstrations that do not include participation. A one-afternoon demonstration, held 2:30 to 4:30 p.m. on Wednesdays, costs \$5.

A five-demonstration course costs \$25, and they are to be held July 12 to 16 for the preliminary lessons and June 7 to 11 and July 19 to 23 for the advanced.

The school is at 114 Marylebone Lane, London W.1. Leith's School of Food and Wine. The shortest course offered is a four-week intensive session for beginners and advanced students. Each costs \$360, and the emphasis is on French cuisine.

The school is at 36a Notting Hill Gate, London, W.11.

Oxford Center for Management Studies. For those with ambitions to be Yanks at Oxford, there are cooking classes offered in that city. There are demon- strations by chefs from some of the colleges in which they show

examples of what they serve at high table. Traditional English dishes predominate.

Courses are held Aug. 1 to 6 and Aug. 22 to 27, and they cost \$350, including accommodations and meals. The demonstrations are held in the mornings so that the afternoons are free for sight-seeing.

More information may be obtained from the Oxford Center for Management Studies, Kensington, Oxford, England, OX1, 5 NY.

Elizabeth Pomeroy. Two one-week vacation courses, concentrating on Continental cooking and hostess dishes, are available. Practical work is stressed and classes are limited to 10 persons. The courses are held Sept. 5 to 10 and Sept. 13 to 17. The cost is \$50.

Mrs. Pomeroy's address is 51 Horton Street, London, W.8.

Woman and Home Magazine Cookery School. Available are two-day courses for \$40 and cake-decorating courses for \$36. Classes are limited to eight persons and are held from 10 a.m. to 4:30 p.m. July through September.

The cuisine taught is both French and English. Further information may be obtained from Mary Meredith, Woman and Home, Kings Reach Tower, Stamford Street, London, SE 1.

Italy

Cooking in Florence. The teaching chef, Giuliano Bugliatti, has taught at the America-Italy courses in New York. In Florence, three one-week sessions are offered, with the suggestion that new students consider the first two and those with more experience the third.

Cooking participation classes are held in the Convent of the Mantellate and will include such typical items as pasta, bread and pastries, as well as the unusual, such as lasagna with duck.

Classes will be held the weeks of July 2, July 9 and July 16. The weekly cost is \$475 with accommodations in the Hotel Augustus, or \$350 with accommodations in the Hotel Royal.

Further information may be obtained by writing to Giuliano Bugliatti, 33 A Viale A. Gramsci, Florence.

Gourmet Cooking at the Gritti Palace, Venice. Classes cover a wide variety of subjects and the cost varies widely so those interested should make inquiries.

The schedule: Simone Beck and Michael James, May 30 to June 12; Julia Child and Anne Willan, June 14 to July 2; Julie Dambenbaum and Richard Olney,

July 5 to 30; Cyrl Ray on wines, Aug. 2 to 7; Cesare Gosi and Massimo Alberini, May 30 to Aug. 7.

Further information may be obtained by writing to Nalake Ruzic, general manager, Gritti Palace, 2467 Campo S. Maria del Giglio, 30124 Venice.

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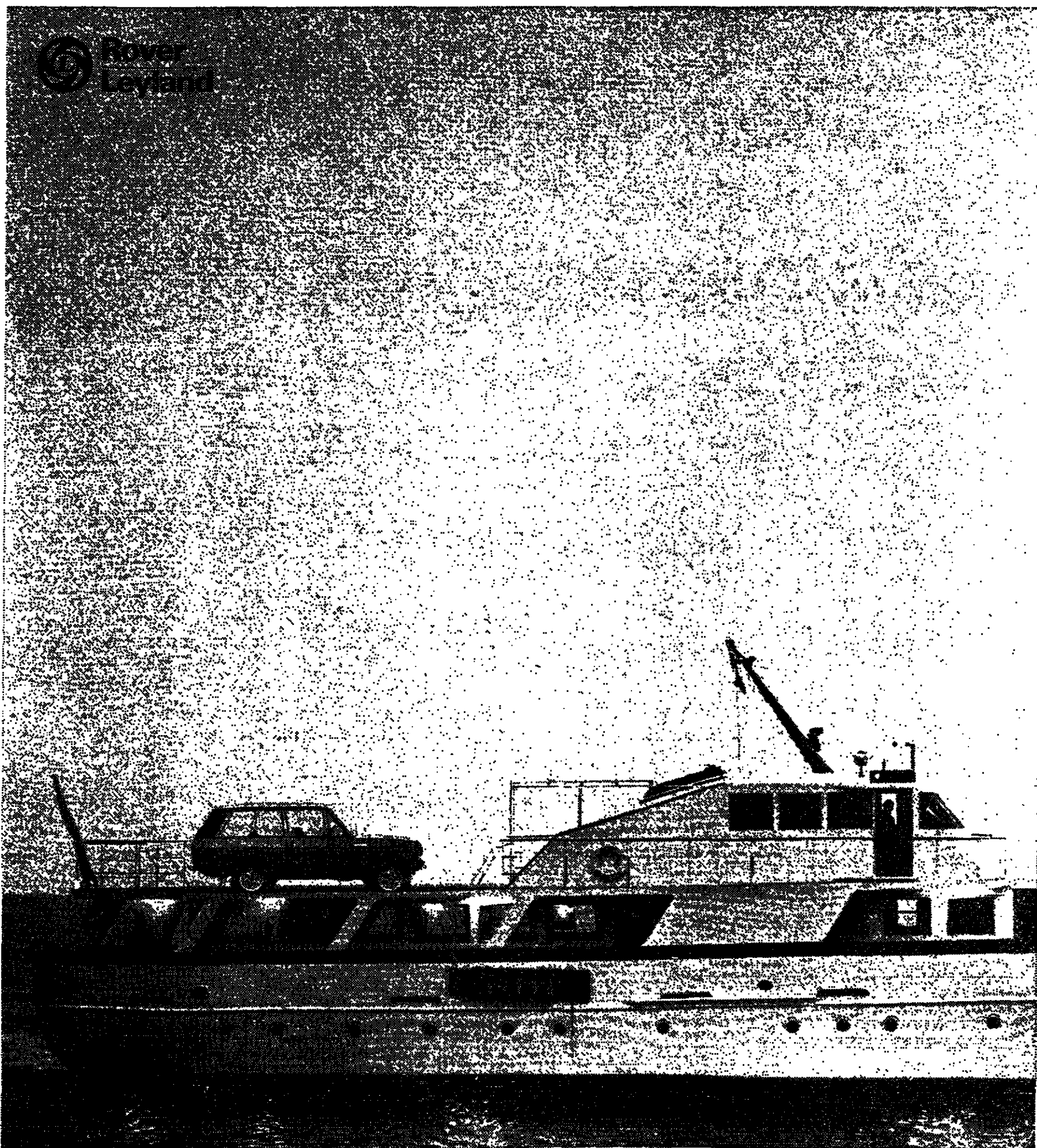
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SHARPS AND FLATS

MUNICH—Manhattan Transfer will be at the Kongress- des Deutschen Museums May 7 at 8 p.m. Leonard Cohen will be at the Circus-Krone-Bau the next night, also at 8 p.m. Brownie McGhee and Sonny Terry are at the Theater in der Briemr Strasse May 9 at 8 p.m. There is an Irish Folk Festival May 13 at the Circus-Saigo-Bau, 8 p.m.

FRANKFURT—Benny Waters is the feature attraction of the Schlachthofgaststaeette on May 7. Diana Ross will give a concert the following evening at 8 p.m. at the Jahrhunderthalle: Billy Swan and his band, will be there May 10 at 8 p.m. Embargo is at the Jazzkeller the same night. David Bowie will at the Fest- halle May 13, while the Pasadena Root Orchestra is at the Palm- garten and Neil Sedaka at the Jahrhunderthalle the same night.

THE HAGUE—Gladys Knight and the Pips will be at the Con- gressgebouw May 9 at 8 p.m.

ROTTERDAM—David Bowie will be at the Sportpaleis Ahoy May 13 and 14 at 8 p.m. both evenings.

AMSTERDAM—Manhattan Transfer will be at the Congres- centrum May 9 at 8 p.m.

BRUSSELS—Keith Jarrett is giving a concert May 9 at the Palais des Beaux-Arts.

LONDON—Shirley MacLaine,

—FRANK VAN BRANKLE

Indiana's Verdict

For the first time in many months, it becomes distinctly possible to envisage the Republican party denying its nomination to President Ford. Although Ronald Reagan won narrowly in Indiana, the pattern of his victory makes the outlook ominous for the President in most of the remaining primaries.

The two rivals ran about even in normally Republican areas but Reagan did decisively better among independents and among those Democrats who consider themselves political orphans since the demise of Gov. George C. Wallace's candidacy. The same crossover voting by Wallaceite Democrats is possible in several forthcoming primary states such as Arkansas, Tennessee, and—with the greatest potential for embarrassment—in the President's home state of Michigan. A defeat there on May 13 would be a tremendous blow to Ford's prestige.

A second unfavorable omen for Ford is the geographic location of most of the remaining primaries. The Northeast and the industrialized Middle West, the two regions where the President is strongest, have already chosen most of their delegates. Aside from Michigan, only Ohio, New Jersey, and Rhode Island remain to vote. Otherwise, the candidates fight it out in a dozen Southern

and Western states where Reagan can be expected to do well.

The climax comes in California on June 8, when 187 delegates are elected on a winner-take-all basis. Unless one candidate or the other slumps badly in the intervening weeks, the big California primary may well decide the outcome as it did in the Rockefeller-Goldwater struggle in 1964.

The intensifying battle for the nomination has high risks for the Republican party in November. If either candidate had effectively dominated the primaries up to this point, there would be time for the winner to make peace with the loser and for emotions to subside. Instead, the clash is unresolved and beginning to turn faintly bitter.

President Ford's campaign manager attributed the Indiana verdict, in part, to Reagan's "demagogic statements." White House press secretary Ron Nessen accused Reagan's organization of circumventing the campaign finance law. The GOP survived much worse recriminations during the Taft-Eisenhower battle of 1952 and went on to win; but neither candidate this year is in Gen. Eisenhower's class as a political miracle-maker.

THE NEW YORK TIMES

British Cheer

Not for a long time has there been good economic news out of Britain. The pay deal between the Trades Union Congress and Chancellor of the Exchequer Denis Healey represents a major triumph for financial good sense, and brightens the prospect for genuine reversal of Britain's economic decline.

By a vote of 25 to 5, the general council of the TUC has agreed to a wage ceiling of about 4.5 per cent on the average national pay scale, in return for tax concessions which could have the effect of a further significant increase in the average worker's take-home pay. The labor force stands to benefit in real terms, therefore, not only from fatter pay envelopes but from the prospect of an easing in Britain's ruinous inflation—now

21.2 per cent, highest of all the Western European industrial nations.

Healey bargained skillfully on this combination package, making it clear that if labor insisted on a higher wage ceiling, the excess would be taxed away. Considering the parliamentary strength of the moderates in the Labor party, who might well have been joined by the Liberals on this issue, Healey's threat of equalizing through tax policy could hardly be called an empty one.

Prime Minister Callaghan's new government can take immense satisfaction in achieving the labor movement's cooperation for this opening move toward the goal of stable growth.

THE NEW YORK TIMES

Russia's Defense Chief

Nine years ago, when Soviet Defense Minister Malinovsky died, there was a two-week hiatus before his replacement, Marshal Grechko, was named. There is reason to believe that the succession debate within the Soviet hierarchy included the name of a civilian candidate, Dmitri Ustinov, longtime head of the nation's military-industrial complex. But Marshal Grechko finally was given the job, evidently on the insistence of Soviet military leaders, and later was elevated to the country's ruling Politburo.

The swift appointment now of Mr. Ustinov on Marshal Grechko's death—as one of the few civilian defense ministers since Leon Trotsky was removed by Stalin a half-century ago—indicates that Leonid Brezhnev retains his grip despite age and intermittent illness. His choice of Mr. Ustinov presumably was accepted by the military without serious debate. And that choice leaves the military without the seat on the Politburo that Marshal Grechko obtained for them in 1973.

The naming of Marshal Grechko to the Politburo in 1967 was evidently designed to reassure the military and other hard-line elements in the Soviet Communist party that defense would be stepped up during an era when the Brezhnev policy of détente was

seeking a relaxation of tensions and some accommodation with the capitalist West.

That reassurance evidently is no longer considered necessary in the defense field. The Soviet military buildup in the Grechko era speaks for itself. Parity in strategic arms with the United States has been achieved. Massive forces have been deployed on the China border, while the Warsaw Pact elements in Europe have been further strengthened. A major modernization program in conventional arms has been set in motion. And a naval buildup combined with large air-mobility forces, has enabled the Soviet Union to project its new military power and political influence outward from its traditional continental base into the Mediterranean, the Indian Ocean, the South Atlantic, Africa and South Asia.

As the man who has presided over the arms production program that has made this military resurgence possible, Mr. Ustinov undoubtedly is more acceptable to the military as defense minister than most other civilian leaders would be. But, at the same time, his civilian status may be intended as a signal to the United States of Mr. Brezhnev's continued commitment to détente at a time when that policy is under increasing attack in the U.S. election campaign.

THE NEW YORK TIMES

International Opinion

Pay-Raise Limits in U.K.

It may no longer be premature to discern a change in British public and trades-union opinion toward wage increases and inflation. There are signs of far greater realism from workers of every kind and their leaders about the nature of the inflationary process and the contribution which wage and salary increases, unjustified by increased output or productivity, have been making to it.

The main agent for this change has doubtless been fear. The first fear has been of unemployment. It has become clear beyond question in the course of this recession that, by excessive wage settlements in the past, labor has been pricing itself out of employment. The increasingly real prospect of 1.5 million unemployed, if trends were not reversed, was a jolt to trades-union leaders and their rank and file alike. The impact was reinforced by the growing realization that inflation rates were eroding the fixed points of everyday life.

—From the Times (London).

U.S. Conservatives

One of the extraordinary features about the American presidential election campaign is that the front-running candidates are, in our terms, right of center. The Republican challenger Ronald Reagan is more conservative than President Ford and the Democratic party's front-runner, Jimmy Carter, from conservative Georgia, has practically eliminated the liberal challenge, represented by Morris Udall.

Yet only 20 months ago President Richard Nixon was brought down in a calamitous national scandal. His whole administration was tarnished and it was assumed that America would react against his conservative policies.

That the conservatives should be making such a strong showing in such unpropitious circumstances shows how unyielding middle-class American attitudes are.

—From the Daily Express (London).

In the International Edition

Seventy-Five Years Ago

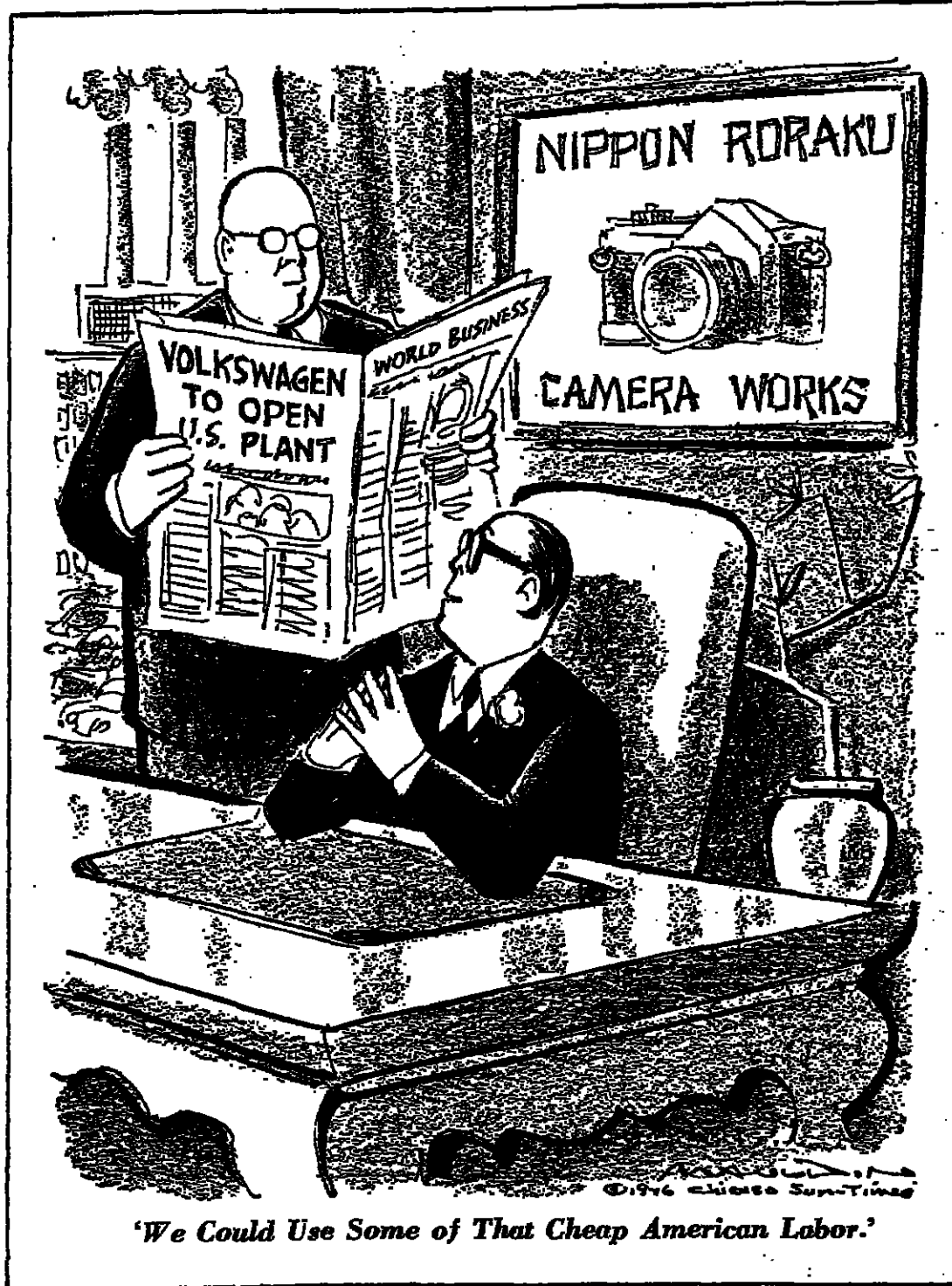
May 7, 1901

WASHINGTON—The State Department admits that discussion is in progress between the Powers as to the advisability of throwing China open to international trade. Reports that this action is confined to Manchuria are discredited. It is denied that any official proposals have come from China and it is said the matter has been limited to unofficial inquiries, but the United States seems to be for the "Open Door Policy."

Fifty Years Ago

May 7, 1926

SAN FRANCISCO—Without the saloon and dance hall the boom mining town is not the uproarious place it was back in the "roaring '20s and '30s, according to miners making a brief visit to San Francisco before returning to Leadville, Calif., scene of the Far West's latest important mineral find. Since last September, the town's population has increased from only one prospector to about 700 persons.



A New 'Joseph' of Food Diplomacy

By Jonathan Power

ROME—The last 15 chapters of the Book of Genesis tell the story of Joseph, one of the Hebrew patriarchs. The pharaoh, the story goes, had had his ominous dream in which seven "well-favored and fat-flashed" cattle were eaten up by seven "poor and ill-fleshed" cattle. Joseph, who had earned a reputation for interpreting dreams while serving in prison for accusing his master's wife of attempted seduction, was brought before the pharaoh to tell the pharaoh what his dream meant. He told the pharaoh that the seven fat cattle were seven years of a good harvest and the thin cattle were seven years of famine. Only one thing, he said, could avert catastrophe: to take in and store under the pharaoh's seal one fifth of the crop during the seven years of plenty. The pharaoh, ignoring his traditional advisers, surprised the court and put Joseph in charge of the assignment with a rank second only to himself. The devastation of an empire was averted.

The debate about food stocks continues as if nothing has been learned from history. World food stocks are now lower than any time since World War II. A serious crop failure in a major producing region, if not balanced by bumper harvests elsewhere, would mean that grain prices would go through the roof and hundreds of millions would find that the basic essentials of life were priced out of their reach.

West's Recession

Indeed, since 1972 the only real food reserve has been the cereals fed to livestock. It was good fortune that the West's recession coincided with the failed harvests of 1973 and 1974. For it meant that as consumers cut back the level of meat consumption of their more affluent days, millions of tons of grains that would otherwise have fattened animals were left in the market for poor countries to buy or for rich countries to send over as charity.

But what now? The recession is on the wane. Meat consumption in the affluent nations will rise. And if there is a bad harvest this year in the North American breadbasket, or if the monsoon fails in Asia or if the Soviet Union again suffers setbacks in its agriculture, there will be nothing in the latter to share around.

The UN's Food and Agriculture Organization has estimated that the world should hold about 18 per cent (not far off Joseph's 20 per cent) of its annual cereal consumption in stock. This year that would mean about 165 million tons as against the present 100 million tons. So we're talking about a need of about an extra 60 million tons—the figure mentioned by Secretary of State Kissinger at the November, 1974, World Food Conference.

Yet, although the 60-million-ton figure was proposed and the assembled throng said "Amen," we are still a long way from any positive commitment to making it a reality. The mechanical details of how it should be done provide a field day for bureaucratic infighting. The International Wheat Council is discussing it as part of a new wheat agreement; in the GATT multilateral trade negotiations reserve stocks are being discussed; and finally the UN Conference on Trade and Development, now meeting in Nairobi, is debating it as part of a package deal on

commodities. And within each of these organizations the old, heavy ideological issues surface. The EEC calls for market stability; the purist free marketeers of the United States insist on no interference with the free movement of prices; the developing countries want a guarantee of a low-price range. How many permutations and combinations might emerge from that muddle?

Enter the World Food Council, which is the nearest thing we have to a far-sighted overseer, which was brought into being by the World Food Conference, and was expressly charged by the international community to act as a political powerhouse for making sense out of the conflicting lines of responsibility of existing agencies.

The second session of the council will be here in Rome on June 14. The critical preparatory meeting begins next Monday. On the agenda is a remarkably well thought out plan for breaking through the impasse on how to create a global food reserve.

It is the brainchild of Sartaj Aziz, the Pakistani economist who is the council's deputy executive director. Those who saw Aziz in action at the World Food Conference will not be surprised to be told that his plan is at once both sophisticated and straightforward. It has the touch of a master of the craft of food diplomacy.

No Stalking Horse

Aziz first assures the grain exporters, the Americans, Canadians and Australians in particular, that he's not a stalking horse for lower prices. He writes: "It needs to be recognized that reserve accumulations would have to be initiated at prices somewhere near current levels." And he goes on to assure them that "such stocks would be firmly held against a well-defined emergency—so as to avoid any price-depressing effect." Secondly, he limits the debate to only wheat and rice, leaving the question of the less important subject of coarse grains (principally used for animals) to another day. This brings the discussion down to an argument about 30 million tons of grain—a figure more easily accepted by public opinion.

Next, he moves boldly to defuse the overhanging debate of nationally held versus internationally held stocks. He argues strongly that international management under a single agency "will be simpler to devise, more efficient and less costly to operate" and that the alternative of a loosely coordinated system of national reserves suffers from the real danger that an "exporting country called upon to release reserves to the market according to agreed guidelines (could) subsequently announce a decrease in export availabilities." But Aziz, while pointing this out, is wise enough to admit that, politics being what it is, "It seems extremely unlikely that a system based on a single global stock, neatly divided between different groups of countries and maintained at all times can be created or agreed upon in the foreseeable future."

It is at this point that Aziz reveals his plan. He breaks down the problem and in doing so he simplifies it enormously. It is in three parts. First, a very small internationalized component—a half-million-ton reserve for unexpected random emergencies. Second, a coordinated system of nationally held reserves so that each year a food aid target of 10 million tons could be met as a matter of course—

that is, a mere 1 million tons more than was set aside last year.

Then the third part is a "security reserve" of about 20 million tons to be firmly held against a serious and carefully defined set of contingencies—for example, grain might be released only when prices rise 50 per cent above a certain agreed level. In this way the reserves would not have the same depressing effect on prices as would normal stocks—a fear that fuels the resistance of the farm lobby, particularly in the United States.

Although Aziz would like to see this third component held under international management, it could still work, he maintains, if each exporting country held its own stocks, as long as there were some mutually agreed formal guidelines.

Here in the guise of the World Food Council is a new Joseph. It is up to the pharaohs of the world to make this conceptual breakthrough a political reality.

Ulster Solution?

Re the report of a "solution" to the so-called Ulster issue, proposed by British historian A. J. P. Taylor (IET, April 12): Rarely have I read anything in a newspaper that so upset me.

I have read much from the pen of Prof. Taylor that seemed to indicate a good grasp of the Irish situation and a total lack of anti-Irish or anti-Catholic prejudice. Now I am forced to believe that his grasp of the tragic situation is very inadequate and his understanding of the Irish Catholic mentality, so flawed as to indicate a possible subconscious hostility. How can he think they want or would be satisfied with the solution he proposes, namely that the one million Protestants of Northern Ireland should be expelled?

As a West of Ireland Catholic, a branch of whose family was once expelled from the North to make room for the ancestors of today's one million Protestants, I find the proposed solution monstrous, and to me as an Irishman and a Catholic it is totally unacceptable and unthinkable. I know I speak for the overwhelming majority of the Catholics of the Irish Republic when I say this, and I feel for a majority of the 500,000 Catholics in the North too.

Protestant patriots and poets? "Bould Robert Emmet, the darlin' of Erin"; and Thomas Davis who wrote "What matter that at different shrines/We worship the same God?"

Should the IRA take the Protestant bones of Wolfe Tone, the founding father of Irish Republicanism, from his Bodenny town grave and send them after his coreligionaries into banishment? And our beloved Douglas Hyde, scholar, gentleman and first and most loved president of independent Ireland: Shall we dishonor his memory?

There is, no easy solution, but one day a solution will be found and not the one proposed by Prof. Taylor. My dear father's solution was the Royal Anglo-Celtic Federation of Great Britain and Ireland, made up of the five autonomous nations of England, Scotland, Wales, N.E. Ireland, and Eire. I don't see that being easily accepted but it

Watchdog on Intelligence

The Oversight Panel: A Test of Faith

By Anthony Lewis

BOSTON—"If angels were to govern men," James Madison wrote, no "controls on government would be necessary," but in a nonangelic world there had to be safeguards against abuse of power. On that theory rose the U.S. constitutional system: A government limited by law and divided among branches meant to watch each other.

If Madison were about these days, he would hear familiar echoes—insultive ones—in the emerging debate about control of U.S. intelligence agencies. For what the Senate does with the proposals of its Select Committee on Intelligence Activities will be a fundamental test of faith in the Madisonian system—a test of our commitment to law and institutions as necessary safeguards against the deeds of men.

The central proposal is for creation of a new Senate oversight committee to keep watch on intelligence activities. That is a mild approach to reform, after all the abuses disclosed, but Sen. Frank Church, D-Idaho, and his colleagues in the intelligence transparency group are more cautious. They fought no great fights with the Executive branch, they leaked no great secrets, they proposed no radical changes.

Lawless Actions

Nor is there any participation in the final report of the Church committee. It does not try to assign blame to a few bad men for the wrong done. It finds, rather, that the system has slipped: a gradual concentration of power in the Executive, unchecked by Congress, has led to increasingly uncontrolled and lawless actions.

That is why the proposal for a new oversight committee is so important. It is an attempt to use the basic theory of the Constitution to overcome the very human tendencies that were feared in the first place. That is exactly the way the framers argued that their system would work, correcting itself when there was an imbalance—a republican remedy, Madison said.

The reform proposal relies on conservative institutions, law and the Senate itself. So it may seem surprising that senators known as conservatives—Stennis and Eastland of Mississippi, McClellan of Arkansas—are trying to block the new oversight committee. In a preliminary skirmish, the proposed committee has been stripped of all its meaningful powers over legislation and the intelligence budget.

But those senators are acting in pursuit, not of conservative values but of heronian interests. They are chairmen of the committees that were supposed to keep an eye on intelligence matters all along—Armed Services, Judiciary and Appropriations, but in fact did virtually nothing. There could hardly be anything

less conservative, in the constitutional sense, than for Congress to abdicate its function and the Executive accumulate untold power—secret power and of all. That is not an abstract judgment but the inescapable lesson of recent history. The abuses that mounted in the absence of oversight eventually exploded Watergate and the intelligence scandal, shaking public confidence. That is the opposite of a conservative policy.

A true conservative in the Ford administration, Attorney General Levi, understands what is at stake in the intelligence area. He has his differences with the Church committee; he remains too awed by the label "national security." But he has taken significant steps himself to prevent domestic intelligence abuses, and he favors congressional action. He is committed to the principle that official conduct must conform to standards of law.

The CIA itself has accepted the idea of effective congressional oversight. William E. Colby, the former director, wrote last January: "This year's excitement has made clear that the rule of law applies to all parts of the American government, including intelligence. In fact, this will strengthen American intelligence."

But the decision on whether to create an effective oversight committee is up to the Senate alone. There, an important part will be played by the Democratic whip, Robert C. Byrd of West Virginia, who has been helpful to the Church committee in the past, but lately has opposed the oversight reform.

A Fair Symbol

Byrd doubtless wants to hold the support of the old committee barons in his campaign for majority leader, but his role of this issue could be abridged. He is also respected for his intelligence and mastery of Senate business. What he may need to show some colleagues is an eye for larger interests—the Senate's and the country's. A fair symbol is the Senate's willingness to exercise this constitutional responsibility.

The Church committee has been criticized for backwardness in public relations—for failing to keep the issue of intelligence reform alive by frequent dramatic revelations. Well, its final report is indeed a sober piece of work, an enormous record of unpleasant facts presented without hyperbole. Is the Senate really prepared to brush it off as insufficiently trendy?

The Watergate experience revived faith in our constitutional system. It dealt with one symptom of an illness, the long slide to uncontrolled executive power. The Senate has a chance now to deal with the disease itself, and its decision will tell us a good deal about whether our renewed faith is justified.

Letters

Ulster Solution?

is a more honorable solution than Prof. Taylor's.

Parls.
EILIN NI LOINN.

'Far From Reality'

The editorial about the situation in South Korea (IET, March 30-31) is far from reality. South Korea is creating a new and fresh face both internally and externally. It has made great political and economic progress in the course of its modernization and it will continue to develop.

First of all, as to the rule of power, the South is fundamentally based on the centralization of administration, for it has a unitary political system. The country certainly has not such a federal system as the United States has. In 1972, we created a revitalizing Constitution which fits us. Our democratic form of rule is evidently founded on the new Constitution permitting to bring further security, prosperity, and a brighter future for democracy.

Secondly, South Korea's 588 per capita income of the 1960s has increased to \$600.

The International Bank for Development once indicated that South Korea's economic expansion should be called an economic miracle. Furthermore, in 1971, President Chung Hae Park launched a great movement, whose purpose is to reduce, as much as possible, economic differences between urban and rural lives. The principal spirit of it is based on self-help, self-confidence, and mutual cooperation.

It is called today "Saemaul Undong", to which all South Koreans, young and old, rich and poor, and high and low alike participate. Is this not democratic rule? Is this despotic sense?

Thirdly, South Korea has a strong army. Its purpose is to primarily defend South Korean lives and the territory. So it is purely for self-defense. Each modern nation has an army for this purpose. Politics is going on through rule of law, the symbol of parliament. Dictatorship does not exist and cannot exist in this land.

Anyhow, democracy is neither agitation nor charity. It is an incomplete institution in which people learn to govern and to be governed in the course of its practice.

M. H. BERNARD.

A Correction?

The IET has me saying, in an article by James Goldborough (IET, May 6), that I suspected Mr. Kim, of being a Communist. I would appreciate it if you would point out to your readers that I never said that.

Jacques Faurel,
Director, Le Monde.

Parls.

Mr. Goldborough says that his notes taken at the luncheon show Mr. Faurel as saying, "I don't think there are any fascists or Communists at Le Monde. I suspect Mr. Kim may be a Communist, but he is no longer at Le Monde."

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FINANCE

Page 7

Aides Say VW Key to End of Auto Probe

INGTON, May 6 (AP)—The investigation into the possible impact on Volkswagen of the Department's decision to dump the investigation on auto makers, government officials said.

The investigation was done irreparable damage to certain manufacturers who have dropped out of the big West auto market, according to government officials.

Administration officials felt that the usual procedures would have been followed in the Volkswagen case without the purposes of the act.

Assured said Tuesday it is nine months in the air. The charges, that 26 of the eight foreign sold cars more cheaply than at home.

The investigation, the act under the Anti-Act of 1921, was an obtaining assurances from makers that they sell their cars here or in at home.

Annual Decision was unusual because the Treasury Department had that all but four of companies in fact were are cheaper here than.

Recalculating to take such special factors asking foreign exchange over group among the of charges of margins" although the it said it would obtain

chst Profit by 54.6% ing 1975

FURT, May 6 (AP)—Tax profits of the AG group fell 54.6 per cent, to 391.1 million from 641 million marks chairman Rolf Sammet said.

ide sales rose to 20.8 arks from 20.3 billion Mr. Sammet noted, that some new compa- included in the latest the first time.

ummet said that with ceptions all sectors of were affected by the decline and losses oc- some areas, for ex- ists sector, for ex- ured a loss of 240 mil- lions before taxes, he

mesmann Net Up esseldorf, Maunemann post-tax earnings rose to about 208 million from 157 million marks

mpany said it will pr- unchanged dividend of a share plus a bonus a share.

as Shows a Profit SM, the Netherlands, AP-DJ)—Akzo NV regis- tered profit of 31.6 million in the first quarter at- of 58.8 million guilders rear-earlier quarter, the said today.

assurances that the margin would not be restored.

That still left several com- panies—originally put at eight, although an official said yesterday the number "was six to 10"—with dumping margins. These companies have not been identified, but officials confirmed that Volkswagen was one of them and that the margins on some Volkswagen models were "very substantial."

Normally, having found that dumping margins existed, the investigation would move to the U.S. International Trade Commission (ITC), which would have six months to determine whether U.S. businesses or workers were injured.

If injury were found, a "dumping order" would have been issued, forcing the foreign con- cerns to pay penalty duties, raise U.S. prices, or lower home-market prices.

During the six months of the ITC's investigation, the suspect imports would be under a cloud. By law, the Customs Bureau would not appraise the suspect imports to determine duties, and if a dumping order eventually came, the imports that entered during the six months would be liable to the penalty duties. Be- cause of the potentially huge penalties that would build up, foreign companies typically would not send products to the United States during this period.

In the case of the foreign auto concerns, with their big U.S. dealer networks, the six-month period would have caused "ex- treme financial pain," an admin- istration source said. In discus- sions with Treasury officials, Volkswagen representatives pressed this argument strongly, he said.

Sales Slump Meanwhile, in Detroit, final U.S. import sales figures for April confirmed that most foreign auto- makers continue to suffer from soft small-car demand.

A survey of leading importers indicated that dealers delivered about 128,000 foreign cars last month, down 11 per cent from 141,500 a year earlier. Importers' share of the U.S. car market in April slid to 13.8 per cent from 15.5 per cent last year.

So far this year, import sales have captured less than 14 per cent of the U.S. market at a time when U.S.-made-car sales are rebounding sharply from de- pressed 1975 levels. For all of 1975, imports had about 13.5 per cent of the U.S. market.

U.S. automakers sold 788,024 new cars in April, up 42.3 per cent from 547,637 a year earlier.

IMF Sets Date on Auction Of 780,000 Ounces of Gold

WASHINGTON, May 6 (AP-DJ)—The International Monetary Fund announced today that it will auction 780,000 ounces of gold at market-related prices on June 2 and plans to sell a total 12.5 million ounces at 16 public auctions over the next two years.

IMF managing director Johan- nes Witteveen told a press con- ference that the IMF will not announce or disclose the names of the successful bidders.

U.K. Example May Be Answer Wage Rise Threat to U.S. Prices

By Edwin L. Dale Jr.

WASHINGTON, May 6 (NYT)—The Ford administration, officially at least, professes un- concern about the threat of wages in the economy.

For example, Alan Greenspan, chairman of the Council of Economic Advisors, explicitly declined to criticize the fairly hefty settlement recently negotiated by the Teamsters, and the same position has been taken by the Secretary of Labor, W. J. Usery Jr.

And yet it is a truism of the modern economy that as long as average wages rise faster than the increase in average productivity, or output per man-hour, prices will go up. Wage increases are not by any means always the chief driving force for inflation. Other forces, largely inter- national, dominated in the devastating double- digit inflation of 1973-74, for example.

But there are occasions when a too rapid rise in wages can force up the price level even if the more traditional inflation factors, such as excess growth of the money supply, are not present. That is, government policy of the bud- get and money supply, affecting total demand, can be duly cautious and yet prices can still be "pushed" up. The present and forthcoming period in the United States appears to be one of those occasions.

Arthur Burns, chairman of the Federal Reserve Board, sees it largely that way. Unlike the administration, he does not hesitate to cite the wage problem. In describing the continuing inflation danger to the Senate Banking Committee on Monday, Mr. Burns emphasized that "wages are still increasing much faster than the long- term growth of productivity."

Wages in the United States are not "exploding." The adjusted hourly earnings index, published monthly by the Bureau of Labor Statistics, was 7.3 per cent above a year earlier in March and it has been rising only gently in recent months. Its rise is considerably less than the roughly 10- per-cent average increase negotiated in union settlements this year.

But this leaves two problems. The first is

that, even at 7 per cent to 8 per cent, the average wage increase is well above long-term productivity growth of 2.5 to 3 per cent a year, though productivity is likely to show above- average improvement in this recovery period.

The second is that large union settlements and a gradually tightening labor market may move the economywide wage increase above the fairly moderate figure of the last year.

There is a striking additional fact not always realized. If by some miracle the entire working force accepted for only one year wage increases of 3 to 4 per cent, the inflation rate the next year—assuming reasonable government monetary and fiscal policy—would be sharply reduced and the "need" for higher wage increases from then on would be correspondingly less.

It is often forgotten that in the 1960-65 period wage increases averaged about 4 per cent a year because price increases averaged about 1.5 per cent a year. Moderation in each reinforced the moderation in the other.

The most promising idea in years has come from Britain. After one year of "voluntary" wage restraint in the 10-per-cent area, the Chancellor of the Exchequer, Denis Healey, has proposed that, if the unions will accept a further reduction in wage increases to about 3 per cent, income taxes affecting mainly working people will be reduced by more than \$2 billion. An agreement has been reached on a 4.5-per-cent increase. On the assumption of reduced inflation, the net effect of the package on real after- tax earnings would be positive.

For the United States, Brookings Institution Economist Arthur Okun is privately suggesting a similar idea. The President would set a wage increase guideline of, say, 5 per cent in any establishment where the employer and his workers agreed to stay within the guideline the employer's social security tax would be cut by one percentage point and the worker's tax by three percentage points. The worker would have the equivalent of an 8-per-cent wage increase—5 plus 3—but total wage costs in the economy would increase very little.

By Bank of England's Directives

London's Euromart Role Seen Threatened

By Carl Gewirtz

PARIS, May 6 (JRT)—Both the Bank of England and private bankers believe there have been violations of the premium dollar market by the London-based banks operating in the international securities markets.

As a result, the central bank has sent reminders to all of the banks about how the international operations are to be treated. The central bank insists that—with the exception of how underwriting commissions are to be treated—the directives simply reiterate long-standing policy.

The international banking community, however, sees the matter in a different light and maintains that, as matters now stand, the central bank's policy is a threat to London's role as

the center of the Euromarket operations.

The income earned from these operations has been the one consistent plus in Britain's balance-of-payments accounts and the Bank of England has always maintained a very flexible attitude regarding the Euromarket to assure the continuity of this important source of income for the nation.

May Change Policy Thus, it is widely assumed that the central bank will modify its position if the banks can demonstrate that the present wording of the directives put them at a competitive disadvantage vis-a-vis their Continental competitors.

This is what the banks claim and a steady stream of senior execu- tives have been meeting with central bank officials this week to stress this point.

Some very prestigious foreign banks, who have chosen to base their Euromarket operations in London, report in private conversations that they will be forced to consider leaving Britain if the rules are not altered. Others, gearing up for such operations, may be forced to scratch London as a possible site.

Paris-based Morgan Stanley, for example, the premier new-issues house, is currently studying the possibility of entering the second- ary market by establishing a trading division in Europe. The negative effect of the current rules on dealers' operations would give Morgan "more to think about" in eyeing London as a site, insiders say.

This is also true for Smith Barney, another major U.S. securities house active in the Euro- bond market, which is reportedly making the same study, and for Merrill Lynch, which is said to be considering moving its trading operations from Switzerland to Britain.

The warnings, says a senior U.S. banker in London, are big words sparked by a seemingly "arbitrary, complex shift in the regulatory framework."

But the current wording of the central bank's directives, he says, "imposes a penalty for being here."

The penalty is perceived by bankers on several counts. As matters now stand, a Eurobond with a face value of \$1,000, issued to investors at par value of \$1,000, is taken onto the books of a U.K. trading house at \$995—that is, less the 1.5-per-cent selling commission. The trader is obliged to pass this \$15 through the investment premium market, buying premium dollars for this amount and then selling them at the spot rate.

The dollar premium market is the U.S. device to thwart the outflow of investment capital: dollars in this pool cost some 50 per cent more than the "spot" rate which is currently just under \$1.83 to the pound. In the (Continued on Page 16, Col. 3)

U.S. Wholesale Prices Up 0.8%

WASHINGTON, May 6 (AP)—The government said today a steep increase in farm prices pushed wholesale prices up 0.8 per cent during April, marking the biggest gain in six months and signalling a sharper rise in the cost of living ahead.

The increase ended five months of relatively stable wholesale prices and was an abrupt break in the steady stream of upbeat economic reports this year.

Declining farm prices during the first three months of the year had held down the overall wholesale price index. But in April, farm prices jumped 4.2 per cent while the index for processed foods was up 1.9 per cent. This produced a 3.8-per-cent increase in the agricultural sector.

Wholesale price changes even- tually are reflected in retail prices, although there are time lags and relationships are not precise.

Industrial prices rose 0.3 per cent last month, continuing the moderating trend of recent months. However, the April report did not reflect recently announced increases for steel and other products which will show up later as they work their way through the wholesale price chain.

Economists consider industrial prices a more reliable barometer of basic inflationary trends rather than farm prices, which often move erratically.

The Ford administration has warned that the sharp slowdown in both wholesale and consumer inflation during the first quarter could not be expected to continue.

April's rise in the wholesale price index followed an increase of only 0.2 per cent in March and declines in both January and February. It was the sharpest monthly increase since October's 1.1-per-cent rise.

White House economists expect an inflation rate at the consumer level of about 6 per cent this year, an improvement over

the 7-per-cent rise in 1975 and well below the sharp 12.3-per- cent advance in 1974.

During the first three months of this year wholesale prices fell at an annual rate of 1.8 per cent while retail prices rose at an annual rate of 2.9 per cent, the smallest quarterly increase in almost four years.

In April, the wholesale price index stood at 181.3, up 5.3 per cent over a year earlier. That meant that goods selling at wholesale for \$100 in the 1967 base period cost \$181.30 last year.

Farm price increases were the largest in a year. The biggest increases were for livestock, eggs and coffee. However, there were some declines for grains, live poultry and milk.

New York Stocks End Higher Despite Rise in Price Index

NEW YORK, May 6 (JRT)—Despite the sharpest rise in the U.S. wholesale price index in six months, the stock market scratched out a modest gain today.

But turnover was relatively light as many investors ap- parently stepped off to the side- lines to wait for the weekly banking figures, which frequently offer hints about new trends in interest rates and monetary policy.

The 0.8 per cent rise in the wholesale price index in April was about in line with predic- tions of most analysts.

"The rise was no worse than expected," one analyst sug- gested. He said the fact that the market did not sell off sharply on the news probably was a source of encouragement to investors.

The Dow Jones industrial aver- age climbed 3.07 points to 968.53. Advancing issues led declines

Two Grain Firms In U.S. Indicted On Fraud Charge

NEW ORLEANS, May 6 (AP).—Cook Industries Inc., of Mem- phis, and Mississippi River Grain Elevator Inc. were indicted by a federal grand jury today on criminal charges relating to grain exports.

Cook was charged with 37 criminal counts relating to opera- tions at its Bayside elevator near Reserve, La. Mississippi River Grain Elevator was named in 11 counts.

The indictments were returned just two days after Continental Grain Corp. of New York paid a \$500,000 fine after pleading no contest to other charges growing out of the grain scandals at ex- port docks.

The grand jury charged that from mid-1970 to February 1976, Cook officials conspired to steal grain from ships being loaded at Bayside.

The executive vice-president of Mississippi River Grain Elevator, Giovanni Rametta, is accused of devising a similar conspiracy in September 1968 at that company's Myrtle Grove, La., elevator.

The companies allegedly "short- weighed" the ships—loaded less grain than shown in inspection and weight certificates.

Eurodollar Borrowings

WASHINGTON, May 6 (Reu- ters)—Liabilities of U.S. banks to their foreign branches rose \$807 million to \$3,521 billion in the week ending April 26, the Federal Reserve reported. This was \$248 million higher than the level of Eurodollar borrowings in the week ended April 30, 1975.

French Reserves Rise

PARIS, May 6 (Reuters)—Total French external reserves rose 863 million francs to 88,398 billion in April, the Finance Ministry said. This compares with 87,535 billion francs at end-March and 98,524 billion at end-April 1975.

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(In French
France)

COMPANY	INDUS.	1976 HIGH-LOW	CLOS. PRICE ADJ. \$	MON.-WED. HIGH-LOW	P/E	B YIELD (%)	—EAR. PER SHR.— '73 '74 '74	SHRS. OUTL. (000)	LATEST COMPANY NEWS
QUITAINE	Petrol.	397 - 335.80	339	342 - 339	4	4.4	48.93 - 42.63 - 39.14c	9,549	Drilling region Terres Indicales oil find.
ASSUR. GROUPE PARIS	Insurance	976 - 288	284	286.50 - 283	21	3.9	11.74 - 9.96 - 13.27	2,384	'75 turnover Insur. cos. F 1,275,000 (+14.12%). Expenses, taxes (+1.40%)
CHEN - GERVAIS DAN.	Glass/food	716 - 563	616	609 - 603	22	4.1	87 - 102 - 28.38c	2,333	Same net dividend of Fr. 35.38 shares maintained for fiscal 1975
MINIERS REUNIS.....	Shipping Air Transp.	208 - 172	185.10	188 - 184	11	5.5	9.50 - 9.50 - 16.96	1,866	Subsidiary UTA net '75 dividend F 1.07 MF (+1.18% vs. '74).
CHIMIQUE ROUTIERE	Public works	135 - 105	127.50	130 - 129	11	5.1	5.68 - 9.74 - 11.78	1,472	SFEDTP subsidiary '75 turnover 1,076 MF (+1.18% vs. '74).
ie. Cie. ELECTRICITE	Electric	374 - 318	317	320.50 - 314	11	5.5	35.02 - 29.70 - 27.40	5,044	1975 net profit = 104.2 MF, dividend F. 17.30 (unchanged)
REDIT COMM. FRAN.	Bank	161.50 - 113	105	116 - 107.50	10	6.6	13.47 - 13.02 - 10.36	4,086	Group's '75 consol. net profit 97.9 MF vs. 50.2 MF vs. '74
REDIT INDUS. COM.	Bank	147 - 85.70	124.50	133 - 130	20	4.4	9 - 8.63 - 6.77	4,528	Net dividend: F 4.50 (vs against F '74), payable as of May 10.
REDIT du NORD.....	Bank	95 - 87.48	88.30	88 - 88	16	4.5	6.83 - 6.72 - 5.50c	4,800	Net dividend: F. 5.50 (vs. F. '74) payable as of May 31.
REUSOT-LOIRE	Heavy Ind	173 - 132	147	149.50 - 139.50	6	5.3	9.22 - 15.78 - 28.73c	2,747	'75 pre-tax consolidated turnover 8,822 MF (+4%).
URAFRANCE	Holding	207 - 175	180	180.20 - 175	—	5.6	(non significant)	2,193	SOVAC subsidiary consolidated profit for '75 89 178c vs. '74.
ERODO S.A.F.	Autom. Equip.	488.50 - 387.50	418.50	435 - 419	18	3.8	26.57 - 27.19 - 23.80c	1,495	1975 net profit = Fr. 36,376,000, 34% vs. 1974.
ANCAISE PETROLES.	Petrol.	159.30 - 118	126	125.50 - 123.80	2	8.3	27.05 - 41.65 - 66.21c	15,889	A second dynamically positioned ship—Le Pelerin—for the Total group
EN. OCCIDENTALE.....	Holding	192 - 175.50	180.50	182.50 - 180	7	2.8	(non significant) - 36.94c	2,523	2.67% Gen. Alimentaire shares in lic hands after take-over bid.
ETAL	Mining	120.10 - 76.10	113.90	114 - 110.20	6	2.4	10.52 - 7.59 - 17.97c	7,944	Int'l. to add to its net 1976 dividend. In leased assets (U.S.).
MOET-HENNESSY	Beverage	651 - 500	517	525.70 - 516	16a	1.4	22.60 - 21.77 —	3,157	1975 provisional consolidated turnover 1,124 MF (+12.5% vs. 1974).
ECHELBRONN	Hold.(fin.)	86.50 - 74	85.30	86 - 85.90	13	5.9	4.20 - 11.71 - 6.82	2,825	F 6.00 net dividend proposal at meeting: (+20%) vs. '74.
ECHINEY-UG-KUHLM	Chem.mtn.	119 - 104	107	106.80 - 107	4	8.8	10.90 - 14.50 - 29.30c	25,162	PLUX-Syriat accord for erection aluminum plant (MNL) on Caspian
EUGEOT	Holding	409.80 - 277	292	296.50 - 292.50	8	3.1	68.26 - 71.04 - 58.24c	6,002	'75 consil. turnover (+11.4%) vs. '74 F net dividend, proposal at 1976
RAFFINAGE (Cie. Fr.).	Petrol.	129.70 - 85.40	97.30	98 - 97.50	6a	10.8	13.82 - 15.84 —	5,450	'75 sales (pre-tax) = Fr. 18,450,000 vs. Fr. 19,949,260,000 MF '74.
REPOUTE	Mall order	723 - 618	642	658 - 640	16	1.9	30.82 - 35.94 - 35.87c	922	'75 turnover = 2,116.7 MF (+10.5% Consol. turnover = 2,533 MF '74).
ROBECO	Investm. Corpo.	367.80 - 310	335	343 - 341.80	—	3.7	(not relevant)	22,572	Roronto cash div. proposal of F. Fr. 2% stock distribution.
SUIS ROSSIGNOL	Ski manuf.	1980 - 1761	1790	1829 - 1795	25	1.3	81.72 - 64.64 - 71.76	221	Share of U.S.A. ski market 25% vs. 17% in 1974.
SEKIS (Cie Financ.)	Holding	284.90 - 253	257	258 - 252.60	5	5.8	49.14 - 76 - 54c	8,419	'75 net earnings: 147.5 MF (+1) Proposal for 16 Fr. net div. (+1)

(a) P/E calculated on '73 earnings; all others on '74. (b) Tax credit not included. C: Consolidated.

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1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

Amex Nationwide Trading (3 O'clock) May 6[illegible]

9.17.76 the undersigned announces that the original shares received by the 8% bonus have been received.

As from May 5th, 1976 one new share of 100/- of the company of MM Nomura Securities Co., Ltd. (N.M.S.) will be available at the N.V. Spuistraat 172, 1017 CA Amsterdam, for delivery of 50 div. of the company of N.M.S. (N.M.S. No. 6 and/or 7 (or combinations thereof)).

After 5.31.76 the equivalent of the still outstanding div. of N.M.S. No. 6 and 7 will be sold to the company of N.M.S. (N.M.S. No. 6 and 7) in the decision of expenses, will be held in cash at the disposal of said holders.

AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, May 3rd. 1976.

[illegible]

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COUNTRY

TYPE MAIL BOX COVER

[illegible]

the world.

129.50	129.70	129.90	129.50	129.50	Comw Edis	Park Elm	Tiger
129.40	131.10	128.50	130.70	129.90	Donnelley	Petrolane pf	Up St
131.00	133.10	130.00	132.00	131.60	East Kodak	PubSc Ind	USPS
132.50	134.70	132.40	134.70	133.50	Eckard Jk	QuakStoil	Valle
135.00	135.50	134.30	135.30	136.00	Enserch Cp	RevcoS n	White
137.50	137.80	136.30	137.00	137.80	FedNat Mtr	Rortr Armch	

Threat Seen

14.25	189.50	192.50-193	190.40-190.55	(Continued from Page
195.50	190.50	194.45-194.55	191.70-191.75	premium market, it would
184.75	191	194.10-194.25	191.25-191.50	around \$1.50 to buy \$1.83.
193.70	192	193.40-193.60	198.55-199.00	Purchasing \$15 in the pre
192.75	189.75	192.65-192.75	190.10-190.30	
193	190	192.40-192.75	190 -190.30	

755	1032	1048	-1073	1031	1035	at spot earn only 28.19, a
752	1032	1042	-1044	1033.50	1036	ence of £4.08, or \$7.45 a
753	969	982.50	-984	972.50	973	spot rate. Thus, the bond
721	978	978	-979	970.50	971	on the book at \$985 actual
752	875	889	-891	875.50	876	
746	882	875	-877	850	868	
746	882	860	-861	843	844	

137	1410	1416	1420	1372	1374	—dubbed a surrender trans
138	1395	1417	1419	1375	1376	
139	1406	1406	1408	1371	1372	—is nullified by the fact th
140	1400	1394	1400	1368	1369	profit earned by selling the
141	1397	1397	1398	1366	1370	qualifies to pass through
142	1396	1396	1399	1366	1369	

FEDERAL RESERVE MARKET		BANK SHOWING A PROFIT	
May 6, 1976			
Today		Previous	
Bid	Asked	Bid	Asked
<p>wise here:</p> <p>The rub comes from the that in a bad market difficult sell bonds Continental bank may be willing to sell to</p>			

1975	872.50	873	846	847
1976	4,055	4,060	1,945	3,950
1977	4,170	4,175	4,060	4,063
1978	270	271	257	258
1979	280	280.25	267	267.50

ms	247.80	248	244.80	244.30
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Paris Commodities

is why international ch

YEAR				
1938	—	1,625,640	+10	
1940	1,664	1,684,169	+11	
1953	1,785	1,745,730	+30	

		1,725-1,745	+35	as premium dollars, earning
	1,715	1,725-1,745	+35	pounds—a windfall profit
143.				has now been eliminated
COA	885	900-930	+25	which previously had been

357. 771-783 +18
756- - +28 incurred in taking the bond
their trading books.

1

هكذا من الأول

1976 — High Low	Stocks and Bonds	S&P 500 Index	Low High	Cum. Dividend
6% 3%	WynLab .38	10 29	6% 4	6 —
12 9%	Wynn Ind .20a	9 17	8% 2%	11 14
		X		
20% 13	Xonics Inc	Z	19% 19%	19% + %
		Z		
12 4½	Zimmer .20	19 10	9% 9½	

Sales figures are unofficial.

Unless otherwise noted, rates of dividends in the foregoing table are annual disbursements based on the last dividend or semi-annual rate. Special or stock dividends or payments not designated as regular are identified in the following footnotes:

- a—Annual rate plus stock dividend.
- b—Liquidating dividend.
- c—Declared or paid quarterly.
- d—Declared or semi-annually.
- e—Special or stock dividend or split up.—Paid this year, dividend omitted, deferred or no action taken at last dividend meeting.
- f—Extra dividend or extra.
- g—Annual rate plus stock dividend in arrears.—New issue.—Declared or paid in proceedings 12 months plus stock dividend.
- i—Paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
- j—Ex-dividend and sales in full.
- k—Sales in full.

HOLLAND:						
Offices and factory space, Laagraven	Richard Ellis B.V.	020.440779	3,100 sq.m.		Dfl. 80.—	Immed.
Offices, warehouse and factory space, Leiderdorp	Richard Ellis B.V.	020.440779	from 700 sq.m.		Dfl. 76.—	Immed.
Shops in Holland	Bolle en Compagnons B.V.	020-185656	100-400 sq.m.	1 required		Immed.
Offices Amsterdam and Rotterdam	Bolle en Compagnons B.V.	020-185656	500-2,000 sq.m.		Fl. + — 200	Immed.
Offices space Hoof Gifbarijne - Utrecht Central	Hof & Moltenbeek B.V.	31119847	from 200 sq.m.		(for rent)	Immed.
Warehousing, Laagraven, Utrecht	Mellersh & Harding (Brussels)	649.32.64	from 700 sq.m.		(for rent)	Immed.
Warehousing, Zoeterwoude	Mellersh & Harding (Brussels)	649.32.64	from 1,600 sq.m.		(for rent)	Immed.
Shop, office space, Bergen op Zoom	VanOpstal Makeleerdij	01640-42350	6,400 sq.m.		Dfl. 40.—	Oct. 76
Rembrandtgebouw Amsterdam	Knight Frank & Rutley	020-760944	3,500 sq.m.		Dfl. 200.—	Immed.
Warehousing shops offices Eindhoven	Wierhuis en Luiten B.V.	040-116415	300-45,000 sq.m.		(for rent)	Immed.

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"RESIDENTIAL PROPERTIES
ON THE FRENCH RIVIERA"
which will be published on
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